

# The NATIONAL UNDERWRITER

## Life Insurance Edition

### Ye Olde Maine Almanac For 1951

Q. What is the best thing out yet for real comfort?



Buckwheat makes this month lay in,  
Eat freely of pork and sassage;  
These things kind Heaven givs to us,  
Who in this world works our passage.

A. An eating south.

#### DIAGNOSIS

JANUARY - RESOLVE - Sell Union Mutual Insured Savings Plan  
FEBRUARY - SLIPPERY - Good time to sell Union Mutual Non-Can S & A  
MARCH - Income Tax Time - review of business reveals need for Business Insurance  
APRIL - SPRING - renewed vitality for selling Union Mutual Preferred Risk  
MAY - Union Mutual Double Protection Plan sells easily  
JUNE - WEDDINGS - Need for Family Income  
JULY - VACATIONS - Retirement Plans provide future vacations  
AUGUST - Back to work - ideal Program - ming time  
SEPTEMBER - SCHOOL AGAIN - sell Union Mutual Juvenile Insurance  
OCTOBER - New Homes ready - Mortgage Retirement protects family  
NOVEMBER - Group and Wholesale make fine Xmas gifts for employees  
DECEMBER - XMAS - Let the season be Merrie

#### GIN AND MILK

Maine is known as a State of good, hearty fare. And Union Mutual, a Maine company, has had the reputation for more than a hundred years for providing good fare\* for those who work with it. Union Mutual is not too big to cooperate individually with each of its selected and successful representatives for his greater sales and profits. On the other hand, it's big enough to invite and hold a large and growing volume of quality Life and Non-Can business for the benefit of an able corps of professional insurance underwriters.

\*Our unequalled sales kit includes Preferred Risk, Double Protection, Endowments, Annuities, and Term . . . Sub-Standard, Juvenile, Family Income, and Mortgage Retirement . . . plus Non-cancellable and Commercial S & A . . . Group and Wholesale.

Founded in the Year 1848

UNION



MUTUAL

Life Insurance Company

ROLLAND E. IRISH, President

Portland, Maine  
Home Office

FRIDAY, MAY 25, 1951

# SERVICE WITH A PURPOSE



THIS INSTITUTION is dedicated to the service of humanity. Man's basic interests are self-preservation and the well being of his family. Through knowledge and understanding of these hopes and ambitions we stand ever ready to aid him in the realization of these noble objectives.

*C. McWilliam*  
President

**THE WESTERN AND SOUTHERN LIFE INSURANCE COMPANY**

*A Mutual Company*

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## L.O.M.A. Provided Strong Testimony for Top Planning

### Need for Realistic Statistics Stressed at Washington Meet

The strong trend within life companies to setting up definite planning divisions with the objective of saving manpower, reducing costs and increasing service was evident in discussions and papers at the spring conference of Life Office Management Assn. in Washington, D. C. Other preoccupations were the increasing adoption of mechanized operations in records and communication, the press of war problems and the extra work caused by the qualification of many life insurance agents under the revised social security act. The meeting was guided by Horace T. Polk, treasurer of National L. & A., and president of the association.

It was reported that, as expected, war mobilization caused a decline in the total number of examinations taken in the courses of L.O.M.A. Institute. There was an overall decrease of 20% in the first two courses from the 1950 record figure of 9,124 examinations. By contrast, enrollments in the fellowship course increased 40% above the 1950 total. This year the students enrolled for examinations came from 255 life companies and associations, a new record for spread. It was reported that in some companies an increase was observed in the proportion of girls taking the examinations, reflecting the fact that some companies are beginning to train women for positions that are now held by men subject to military duty.

Burgh S. Johnson, comptroller Guardian Life, warned that, while there is unquestionably a market for monthly premium insurance, life companies should be certain of the cost involved before attempting to promote such a program. A company not considering the cost is likely to find itself doing a large volume of business with a substantial loss per unit, he declared.

### Illustrates Value of Planning

George C. Boddiger, assistant secretary L.O.M.A., reported that the use of staff planning units in life offices has been growing rapidly and that an L.O.M.A. survey showed that the benefits from setting up such units far outweigh the cost involved. There were 53 companies which replied to a questionnaire sent out by L.O.M.A. with replies coming mostly from companies with more than \$100 million in force. Of the companies reporting, 35 had central planning units. Between 1946 and 1951 these companies increased their personnel 13% while business in force increased 38%. The 18 companies with no central planning facilities increased personnel 25% with a 42% increase in business in force.

Mr. Boddiger commented that "making adjustment to compensate for the difference in the increase in business in force of the two groups, we find a 14% increase in personnel in the group with planning departments correspond to a 25% increase in the non-planning group. Assuming an average salary of \$3,000 per worker per year, the excess salary

(CONTINUED ON PAGE 24)

## Group Hospital, Medical Catastrophe Cover Coming

DENVER—insurance against group catastrophic hospital and medical expenses is going to be a big development of the near future, to judge from the interest shown in the coverage at the western meeting of Society of Actuaries.

M. L. Grover of Johnson & Higgins of California, San Francisco, said such coverage is a necessary step in forestalling socialized medicine.

W. G. Schneider, Bankers Life of Iowa, said his company has been experimenting with catastrophe coverage. He favored increasing the amounts of the deductible and the coinsurance in line with increasing income of the insured.

E. B. Whittaker, Prudential, discussed catastrophe insurance at some length but specified that it be off the record.

### Trade Association Experience

In the discussion on industry-wide group plans covering employees of many employers some of the points brought out were these: Occidental of California feared anti-selection when it first wrote trade association groups but experience has been good. Prudential has found that a local trade association is much closer to the local employers than is a national association and can help put a plan across. On the other hand, with a national plan, the board of trustees may be so large as to be unwieldy and they cannot be counted on to help enrollment. Where more than one local of a union is involved, there is apt to be friction, as each local wants to have control. There is a tendency of attorneys to tie things down too tightly in trust agreements. Some things should be left for the trustees and the insurer to work out and agree on. It should not be mandatory to have the signatures of too many trustees in making changes. Insurance company participation in drawing the trust agreement will save much time and trouble later.

### Midget Group Problems

With group casualty coverages of less than 25 lives Lincoln National has had no technical problems, the main difficulty being to write and service these problems within reasonable expense limits. Loss ratios have been about the same as under the larger groups, and the same 75% participation is required on these groups as in the larger ones.

California-Western States life issues down to 10 lives and has done so at low cost under the California unemployment compensation disability law. Because of the compulsory feature, the company has developed "canned" plans to reduce expense. It has come to light that employers often become interested in a group casualty plan because they know of some latent claim. This indicates the desirability of the company being able to exercise selection, as with wholesale life.

London Life requires evidence of good health in the less-than-25 groups. Adverse selection is found frequently in smaller groups. Experience has been good, slightly better on both A. & H. and life than on the larger groups.

### Hospital Insurance Package

Occidental of California has introduced a hospital insurance package on which the agent gets a collection fee for servicing the case but it will take time to learn whether the agents will service the business properly, although the company is optimistic on this point. Metropolitan Life has found there is

a marked upward trend in the claim frequency rate and claim costs under hospitalization, one reason being the postwar rise in the birth rate, with consequent greater number of dependents per employee. Also there is quite a tendency for certain types of conditions to be treated in a hospital because of the existence of hospital coverage. Evidence is that premiums may have to be increased.

There was some discussion of possible problems arising from the adoption of the proposed new form of annual statement, but nobody seemed much concerned about it.

Wednesday afternoon was devoted to the forum on the problems of the smaller companies, conducted by Gardner F. Knight of Berkshire Life. It will be reported in next week's issue.

## Urges Insurance Attention to Manpower Mobilization

Francis V. Keesling, Jr., 1st vice-president and general counsel West Coast Life, drew upon his war-time experiences as a manpower official in Washington in his talk before Assn. of Life Insurance Counsel at Hot Springs, Va., when he advised the life insurance industry that it should take a part in seeing that war mobilization is carried on smoothly.

According to the speaker unless preventive measures are taken pending legislation in the Senate and House to transfer the selective service system to the department of labor will be enacted by default. He reported that during the last war it became necessary for him to prevent other agencies from taking over some or all of the selective service functions. Mr. Keesling said that during the past two weeks he had taken the initiative at Washington to see that the senators and congressmen are apprised of the true facts.

### Local Boards Best for Job

The speaker maintained that selective service should not be under the department of labor or any other agency of the government with a special interest and that it can be best administered by the volunteer workers on the local level. He feels that the uncompensated local board workers should make the decisions as to which men go into the armed forces and determine also problems involving stabilization and transfer of war workers. He reported that during the last war there was an almost unbelievable deficiency in liaison between Washington and the various parts of the country concerning the problems of those engaged in the war effort. Failure to put into effect a more completely adequate manpower program than was in effect during the last war will result again in post-war inflation and jeopardy to the national economy and security, he said.

### Martindale in New Post

Melvin Martindale, formerly actuary of the Texas department, has joined John S. Rudd, Jr., consulting actuary at Austin, Tex., as associate actuary.

Mr. Martindale at one time was with Southwestern Life, then Great Southern Life and later Humble Oil & Refining Co. at Houston. He taught on the faculty of Texas A. & M. College and at University of Texas before joining the Texas board as assistant actuary in 1948.

## War Risk Is Big Topic at Western Actuarial Meeting

### Should Insurers or Government Be Made Responsible?

By ROBERT B. MITCHELL

DENVER—Discussion of war risk underwriting took the leading spot at the western meeting of Society of Actuaries and quickly brought out a basic difference in approach: Whether to regard a certain amount of extra mortality from war hazards as something to be taken in stride or to consider



R. G. Stagg



Valentine Howell

that it is something that the nation as a whole should shoulder and hence a risk that a company should not be expected to assume at all.

This difference in views was summarized succinctly by Valentine Howell, executive vice-president of Prudential and president of the society. In commenting on remarks of Edward Ruse of Confederation Life, who spoke for the non-assumption view, Mr. Howell observed that Mr. Ruse apparently felt the companies are divided into two schools of thought: "The war clause school and the Santa Claus school."

Mr. Howell opened the first session Tuesday, touching on some of the problems currently facing the actuaries, chief among which is the matter of war hazard restrictions. Another he mentioned is the interest rate on investments and the fact that a glut of investment opportunities has succeeded the former scarcity.

### Group, A. & H. Interest Up

Mr. Howell also remarked on the number of companies that are taking an active interest in the group and A. & H. business as against little if any concern with these fields previously.

He then turned the gavel over to Ronald G. Stagg, president of Northwestern National and vice-president of the society. L. S. Norman, American United, said control of anti-selection involves control of the agent. He said his company had found it effective to point out to agents that the war scare appeal might produce business but it would probably not renew well. In the age group 17-25 his company has shown a higher average premium and a lower average amount and the group represented a smaller percentage of the company's total new business than before the Korean war started.

He said "we should remind ourselves that the function of war clauses is not to avoid war claims but to avoid

(CONTINUED ON PAGE 23)

## Massachusetts Mutual Looks Back on 100 Years of Progressive Conservatism

NEW YORK — Massachusetts Mutual's history as a soundly progressive liberal institution marked by readiness to make new liberalizations retroactive for old policyholders and diligent in providing beneficiary agreements to suit varying needs of individual policyholders, was traced by President Leland J. Kalmbach at the opening business session of the centennial convention Monday morning at the Waldorf-Astoria hotel in New York City.

The convention, attended by more than 1,200 agents, general agents, home office officials and wives was the largest in the company's history and ran from last Friday through Tuesday. It followed a week-long series of festivities at Springfield, the program for which was given in detail in May 11 issue.

One of the features of the centennial was the publication of the book, "A Century of Service," and Mr. Kalmbach said that it struck him that one predominant and persistent quality has been typical of the leadership and record of the company's performance through the years and that has been an unwavering determination to maintain a safe and wholesome balance between conservatism and liberalism in the general policies and operations of the company.

Because of its high sense of trusteeship, the company has moved cautiously and conservatively in its underwriting and investment policies on the assumption that its first obligation is to follow sound principles in every phase of operations, so that "over the years the company can furnish insurance protection at the lowest possible cost consistent with safety and a high standard of service," said Mr. Kalmbach.

### Liberalism Banked With Caution

"It has not been the first to try the new. But neither has it been the last to lay aside the old. In keeping with its motto 'We Serve,' it has endeavored to be as liberal in its policies and in its treatment of policyholders as is consistent with safety and with equal treatment for all.

"As a result, no life insurance company in the country offers more favorable contracts to its policyholders, everything considered, than does the Massachusetts Mutual. No company is more ready to make new liberalizations retroactive for old policyholders, subject to practical considerations of safety and equity. And no company strives more diligently to provide beneficiary agreements to suit the varying needs of individual policyholders. These are some of the reasons why Massachusetts Mutual ends its first century second to none in the esteem of those who know it.

"If, because of sound conservatism, our company has moved slowly at times, it has always moved forward when it has moved. Once it has been sure of its footing, it has not faltered in its willingness and ability to meet changing conditions with new policies and new methods, which is the essence of true liberalism."

Recalling how the company has kept its underwriting policies in step with changing conditions, Mr. Kalmbach mentioned that as the prohibitive hazards of the California gold rush days diminished, reductions in premiums and liberalization of underwriting restrictions reflected the improved expectation of life for residents there. Similarly, employees of steamboats and railroads were given more favorable consideration as greater safety characterized these means of transportation.

Mr. Kalmbach also mentioned that in the influenza epidemic of 1917-18 many companies drastically cut their dividends to policyholders but Massachusetts Mutual held that such emergencies were the sort of thing that surplus was for. Hence, it did not reduce its dividends even though it meant a reduction in surplus for the year 1918 equal to 40% of that year's total dividend payments. The

management, he said, felt that it had no moral right to penalize policyholders through reduction of current dividends when it could avoid such penalty by proper use of surplus. However, prolonged depression of the 1930s was recognized for what it was and Massachusetts Mutual, along with all other companies, prudently reduced its dividend scale as a necessary measure of safety.

As a current example of the company's public relations attitude Mr. Kalmbach cited the way in which the company has met problems of the Korean war. Instead of the simple but drastic measure of enforcing war restrictions, the company decided on a more liberal procedure, having in mind the combined interests of the company, the field force, and the insuring public. It felt that in the long run it would be wholesome for the company to include

among its policyholders the many young lives who might have sought coverage elsewhere if underwriting had been too restrictive. Unwillingness to cut into the normal market of the agents unless absolutely necessary was also a factor, besides which the company wanted to offer protection to as many lives as possible.

Mr. Kalmbach paid tribute to the "small group of sturdy New Englanders who had the courage and foresight to start the Massachusetts Mutual" and to the many since that time who have contributed to the company's progress. He expressed particular regret that the late Alexander T. Maclean, who preceded Mr. Kalmbach as Massachusetts Mutual president, could not be at the convention. He had looked forward to the occasion with keen anticipation, said Mr. Kalmbach, and had initiated a number of the plans that were adopted for the centennial celebration.

Vice-president Chester O. Fischer closed the Monday morning session with

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## Lead Mass. Mutual at Century Mark

In black ties for the 100th anniversary celebration of Massachusetts Mutual Life in New York City are, left to right, Chester O. Fischer, vice-president; Leland J. Kalmbach, president, and Charles H. Schaaf, vice-president.



## The COMMONWEALTH Commentary

### EXTRA DOLLARS AHEAD

You should sell more insurance and earn more dollars during the coming months than ever before.

Why? Civilian production is shrinking as mobilization is stepped up. That — coupled with still rising wages and the prospect of a noticeable decline in the cost of living — means extra money that the public can spend.

Where will this extra money go? You, the insurance underwriter, can help keep the dollar sound and curb the inflation spiral by diverting part of these surplus dollars into security for tomorrow.

Gear yourself now for the extra-dollar days which might come sooner than you think.

INSURANCE IN FORCE MAY 1, 1951, \$496,371,704



**COMMONWEALTH**  
*Life Insurance Company*

HOME OFFICE • LOUISVILLE, KY.

The Doorway to Security

## Business Must Unite To Retain Right To Develop Own Forms

### Brooke Cites Need for Determining How Far Regulation Should Go

Addressing the annual meeting of Assn. of Life Insurance Counsel at Hot Springs, Va., Dwight Brooke, vice-president and general counsel Bankers Life of Iowa, urged greater company unity in the face of regulatory influence to the point where insurance departments virtually develop policy forms.

The need of the insurance business for its own philosophy and for unification is greater than ever before, he said. This may mean a small surrender of individual and company independence, but it will mean a perfectly proper and stronger voice in legislation and legislation affecting the unique, stringently regulating business of insurance, he declared.

According to Mr. Brooke it is impossible for his company and, in fact all but a very few companies, to cope with the problems of legislation and regulation which demand careful, continuous and thoughtful attention. He commented, "For that reason, among others, we are thankful for the extremely fine work of our trade associations, and particularly American Life Convention and the Life Insurance Assn."

He called for the insurance business to seriously consider what the regulation and control of the business should be. In the present situation, with no well conceived philosophy of government or economics evidenced, with political power in new and well organized groups and regulatory and administrative officials exercising greater influence on legislation and insurance affairs, stronger insurance leadership is called for.

### Commissioner's Great Power

According to Mr. Brooke, the state insurance commissioner has far greater powers than those vested in most other regulatory officials. He has an annual licensing power with its recurring right to pass on insurance company affairs and limit activities. His inquisitorial and visitatorial powers are exceedingly great. His examiners act as auditors or accountants for the business. He has power in many states to sue in his own right and to be sued, a power not usually found in other administrative agencies. The extent of his authority is enlarged by the fact that his proceedings are, for the most part, informal, without rules or established procedures. In arriving at decisions, the insurance commissioner frequently ignores rules of evidence and takes action without formal hearing or even a record having been made. "In many respects he is an automatist in that he takes no orders from others except as they are found in the statute books. Every branch, division or department of a company feels the influence of the commissioner."

The powerful commissioners frequently disapprove policy forms upon purely technical grounds, he declared. In the normal course of events, forms are submitted which are believed to conform to the laws and the statutes. According to Mr. Brooke, the problem of whether the insurance departmental officials or the companies are going to write policy forms, complicated by the question: "Should we go along because the approval doesn't concern a matter of substance, attempt to induce a change of attitude, or get into a reluctant open

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## Area Management Conference at L. A. Sets Record

The life insurance management area conference for southern California, Arizona, and Hawaii, held at Los Angeles, had the largest attendance in its five years of history. "How It's Done in '51" was the theme.

Arthur D. Hemphill, Equitable Society, San Francisco, spoke at the opening session. Dr. Robert A. Milliken, head of California Institute of Technology, was the luncheon speaker.

Two panels were held, the morning one on "Selection, Recruiting and Financing," with George N. Quigley, Jr., Manufacturers Life, as moderator, and Jack White, Prudential; E. A. Ellis, Pacific Mutual; Ralph W. Fischer, Northwestern Mutual, and Melzar C. Jones, Connecticut Mutual, as panel members.

The afternoon panel was on "Agency Morale, Motivation, Meetings and Campaigns," with W. Thomas Craig, Aetna Life, chairman N.A.L.U. committee on general agents and managers, as moderator, and Walter G. Gastil, Connecticut General; Weymouth L. Murrell, Mutual Benefit; Walter J. Stoessel, National Life of Vermont, and Chase Wickersham, New York Life on the panel.

### Build Despite World Conditions

Mr. Hemphill declared that in his 31 years in life insurance there always have been upsetting conditions, and that it is possible to build in spite of world conditions. Life insurance paid off during the depression and more was sold. Producers were trained to follow the dollar into the industrial plants and they continued to sell life insurance. Recruiting should be from all classes, he said.

The panel on recruiting took up the best sources and the best market for men, relative advantages of college men and older men, use of advertising and letters in getting prospects, financing, selection tests, standards for average earnings the first and second years, amount of inside training and supervision on the job.

The panel on agency morale, motivation, meetings and campaigns took up all the angles of these various topics. Inclusion of wives and families of agents in agency activities was favored. The question of what specific recognition is given agents was taken up in considerable detail.

Participating were the Los Angeles, Arizona, San Diego, Long Beach and Hawaii associations.

## Middle Atlantic Actuaries Meet at Baltimore, June 8

Middle Atlantic Actuarial Club will hold its spring meeting at Baltimore on June 8. William Chodoroff, 2nd vice-president and associate comptroller of Prudential, will discuss the new annual statement form. Walter Rothschild, treasurer of Sun Life of Baltimore, will comment on the investment outlook. Paul C. Moore, actuary of Atlantic Life, will treat income disability. Ralph E. Edwards, associate actuary of Baltimore Life, will report on the Denver meeting of Society of Actuaries. Thomas P. Bowles, Jr., Bowles, Andrews & Towne, Richmond, club president, will be in the chair.

## To Confer on Group Plan

WASHINGTON—A committee representing group companies is scheduled to confer May 28 with Director Kane of the Defense Department, who said he expects them to submit a new group plan for use in connection with the national defense projects rating plan.

Millard Bingham, Mutual Benefit Life, Springfield, has been elected president of Central Illinois C.L.U. chapter.

## Mention Reault for Michigan Post

Joseph Reault of Maccabees is getting a lot of support from prominent insurance leaders, especially in company ranks, for appointment as insurance commissioner of Michigan to succeed David A. Forbes, who is retiring July 1. Gov. Williams has received many letters from insurance company executives in behalf of Mr. Reault. Until he went with Maccabees several years ago, for 12 years he was with the Michigan department. He has not been a factor in politics and there are some who feel that Gov. Williams may feel obliged to take political background into account, especially because he so recently went outside of the political pale to appoint Blair Moody as U. S. senator.

### Mundus Out of Running

Joseph Mundus, prominent local agent of Ann Arbor, who was prominently mentioned as a possibility for appointment as commissioner, is now believed to be out of the running.

A possibility is William Flint, who is head of the complaint bureau of the insurance department. He was formerly a local agent at Grand Rapids, and was for a short time with the Forbes & Belknap agency there of which Commissioner Forbes is a partner. Mrs. Flint is Democratic county chairman in Kent county and has been a highly effective Democratic worker.

## Nominate C. V. Anderson for Russell Memorial Award

Ohio Assn. of Life Underwriters nominated C. Vivian Anderson, Provident Mutual, Cincinnati, for the John Newton Russell memorial award. Mr. Anderson has been in the business for nearly 40 years at Cincinnati and has been president of the National, Ohio, and Cincinnati associations.

## Fla. Code Bill Killed in House

The Florida insurance code bill met its Waterloo in the house, after having passed the senate. It was killed by the house insurance committee. This elaborate piece of proposed legislation is now dead. Due to extensive amendment, elements of the insurance business had withdrawn their opposition and as a matter of fact there were some insurance people that felt that it should be enacted and that it represented in many respects an improvement over the existing law. One report is that the death knell came because of a political situation that developed. The senate leaders, it is said, were very anxious to have the legislation passed and they exerted a great deal of pressure on the house to go along. Apparently the house balked at this and kicked up its heels.

## Faltysek Occupies Public Relations Post for A.L.C.

William H. Faltysek has joined American Life Convention in charge of public relations. He received training in journalism at Northwestern University. After army service, he remained in France to take a public relations position with the U. S. government in Paris. He has most recently been associate editor of "Safety Education," a magazine issued by the National Safety Council.

Mr. Faltysek is the son of Edward J. Faltysek, former general agent at Chicago for Equitable Life of Iowa. The elder Mr. Faltysek is now a producer for that company at Chicago and William Faltysek was with him as an agent for a brief time following his return from overseas.

National L. & A. will pay a dividend of 12½ cents per share June 1 to stock of record May 18.

## Propose Zaiser for N.A.L.U. Trustee

### Iowa Association Backs Candidacy—H. A. Miller Named New President

Iowa Assn. of Life Underwriters at its annual meeting in Des Moines went on record as urging the candidacy of Will H. Zaiser, Prudential, Des Moines, for N.A.L.U. trustee.

Mr. Zaiser is the retiring president of the association. Harold A. Miller, Mutual Life, Council Bluffs, newly elected president of the Iowa association, made the recommendation that it urge the candidacy of Mr. Zaiser for trustee.

Formal action is expected to be taken at the June 25 training school for local association officers. Under the rules of the Iowa association, trustee candidates must be approved by state committee-men and the national committeeman. This rule was adopted following a controversy several years ago when the state had two candidates for trustee. The state committeemen could meet at the June 25 school or a mail poll could be taken.

Ray E. Short, Equitable Society, Cedar Rapids, was named vice-president of the state association; A. H. Pickford, Provident Mutual, Des Moines, secretary, and Newell C. Day, Equitable of Iowa, Davenport, national committeeman.

The Davenport association won the annual achievement award with Waterloo second and Sioux City third.

### Plan By-Laws Revision

The Iowa association voted to set up a committee to make a study and prepare recommendations for revising its by-laws and constitution of the association. It also urged faster reporting on national quality awards and discussed only briefly uniformity of contracts.

Hal L. Nutt, director of the Purdue course, spoke on "Managing Your Confusion" at the Des Moines General Agents and Managers Club banquet, attended by state association delegates.

More than 300 attended the sales congress held at the conclusion of the state meeting. One of the principal features was a panel discussion on "My Favorite Approach" by members of the Iowa quarter million dollar club.

E. R. Brock, Penn Mutual, Des Moines, president of the club, was moderator. Other panel members were Larry W. Fangman, Minnesota Mutual, Council Bluffs; Ted B. Longenecker, Penn Mutual, Des Moines; R. H. Pickford, Jr., Northwestern Mutual, Cedar Rapids, and Leland T. Sloane, Central Life of Iowa, Davenport.

B. N. Woodson, executive vice-president of the State Life of Indiana, spoke on "Alphabetical Underwriting;" Isaac S. Kibrick, New York Life, Brockton, Mass., on "What's Old, What's New in Business Insurance," and George Allen, Prudential, Kansas City, on "Opportunity."

## Advisory Council Meets

A four-day meeting of the general agents' advisory council of Aetna Life was held at the home office. The council, comprising general agents who have been awarded the President's Trophy for outstanding agency performance the preceding year, met with company officials in a series of conferences to discuss agency management and sales problems.

Paul R. Green of Seattle was elected chairman of the council, succeeding A. H. Hiatt, Jr., Minneapolis. Ferris E. Pence, Oklahoma City, was named secretary. Other general agents attending the council meeting were Herbert W. Florer, Boston; Rayford B. Hills, Dallas; H. Horton Humphrey, Newark, and Francis E. McMahon, Detroit.

# Phoenix Centennial

The Penn Mutual extends greetings and congratulations to the

## PHOENIX MUTUAL Life Insurance Company

now celebrating its 100th anniversary.

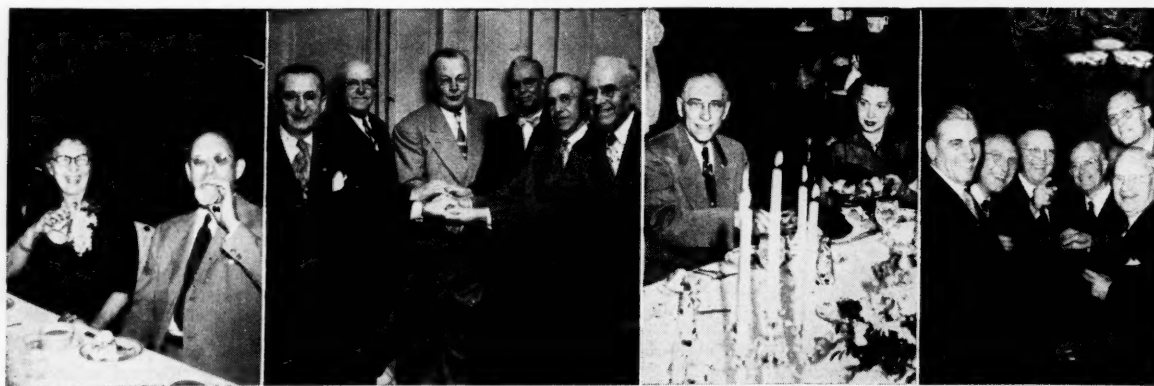
THE PENN MUTUAL LIFE INSURANCE CO.

MALCOLM ADAM

President

INDEPENDENCE SQUARE, PHILADELPHIA

## AS NORTHWESTERN NATIONAL MADE IT A BILLION



Members of the Northwestern National Life field forces all over the country recently celebrated passing of the \$1 billion in force mark by the company with celebrations in their communities. Starting from the left, Homer G. Hewitt and his wife blow horns to celebrate the achievement at Houston. S. C. Rose, Jean Island. M. E. Larson, Howard Yerxa, Otto Veth and Earl Moore join hands to commemorate their 223 years of combined service in the White & Odell agency at Minneapolis. General Agent Charles M. Roubush presides at festivities at Columbus, O. On the right, General Agent Harold D. Leslie of Los Angeles leads some of his associates in close harmony.

### A.L.C. - L.I.A. Get Set to Carry Fight to Senate for 6½% Tax on Investment Yield

WASHINGTON — American Life Convention and Life Insurance Assn. of America are preparing to make a fight for their proposed 6½% flat rate tax on life company investment income before the Senate finance committee after the revenue bill, still in process in the House ways and means committee, has passed the House. Presentation of the proposal to that committee laid the groundwork for such a fight.

Meanwhile, it was understood some time ago between internal revenue officials and life representatives that the question of taxability of renewal commissions of life insurance agents should not be dealt with in regulations issued by the bureau because that depends upon the agent's contract and other facts and circumstances surrounding or relating to the inclusion of life agents among "employees" under the social security amendments of 1950.

While the department has been issuing so-called letter rulings to individual life companies, notably Lamar Life and Equitable Society among others, some life insurance attorneys think it would be helpful if the department would issue something general on the subject indicated above. Other such attorneys, however, say the subject does not lend itself to generalization in decisions or regulations.

Meanwhile, also, internal revenue has forwarded to the Treasury Department regulations under the new social security law, which are understood to deal further with the status of life agents. These regulations had not been approved by the department, and were not expected to be available unless and until published in the Federal Register.

### Coates, Jr., in Father's Firm

Barrett N. Coates, Jr., has joined Coates, Herfurth & England, consulting actuaries, at the San Francisco office. He had been associated with West Coast Life in the actuarial department for three years. He completed the actuarial course at University of Manitoba and is a graduate of the University of California. He is a war veteran.

Mr. Coates' father is the founder of the firm, which has been handling actuarial business in all of the western states for 27 years. The company maintains offices at Denver and Los Angeles as well as San Francisco.

### Mail Order Men to Meet

The annual meeting of Assn. of Insurance Advertisers, mail order insurer group, will be held at Sheraton Hotel, St. Louis, May 31.

### Assignee Given Priority Over Beneficiary in N. J. Case

The court of appeals for the third circuit has overruled the U. S. district court in New Jersey and held in Phoenix Mutual Life vs. Connelly that the life company is liable to the assured's assignee over the beneficiary. The lower court had held that the insured's assignee acquired nothing more than the interest of the insured and that since the insured's right was contingent upon his survival over the beneficiary, the assignee took nothing.

In reversing the decision, the court of appeals held that the language of the policy clearly indicated an intention to reserve to insured the power to alter both his interests and those of the beneficiary by assignment of the policy. The New Jersey "vested interest" concept of the beneficiary's status was held not to be incompatible with his contractual arrangement.

The question came up as to whether the proceeds of the policy were exempt from the claim of the assignee under the married women's statute of New Jersey. The court recognized that the legislative purpose of the statute was to assure that the provision which an insured makes for his wife and children through life insurance after his death should receive substantial protection against claims of credit. But the court stated that the essential scope of the act is the protection of policy proceeds payable to a widow against claims for general creditors of the estate after the insured's death and does not limit the powers of the insured during his lifetime, nor may it be invoked against the assignee-creditor who attempts to realize on his security.

### Hear Retail Credit Man

P. M. Stansbury, Retail Credit Co., spoke before Los Angeles A. & H. Managers Club on "A. & H. Claims Field as Known to the Inspection Companies."

He pointed out that the companies are worried about the rising costs of hospitalization. In answer to questions he said Los Angeles hospitals in most instances will permit inspection of patients' charts, and that this is true in part in San Francisco. He said hospital costs in California are from 40% to 60% above the national average.

### Reception for C. R. Jones

R. J. Ardison, superintendent of agencies of Massachusetts Mutual, has sent out invitations to a reception at Washington, D. C., May 31, in honor of Chester R. Jones, recently named as its general agent there, who is the new president of District of Columbia Life Underwriters Assn.

### Landon to Southland Life Home Office; Aycock and King Take New Posts

Leon Landon has been named superintendent of ordinary agencies of Southland Life. Kenneth B. Skinner continues as assistant agency director, directly under Joe Woodward, vice-president and agency director.

Roland M. Aycock, manager at Little Rock, will replace Mr. Landon as manager at Fort Worth. Buddy King, agency assistant at the home office, will become manager for Arkansas with headquarters at Little Rock.

Mr. Landon graduated from West Texas State College and entered life insurance in 1936 with Southwestern Life, later becoming assistant manager for that company at Amarillo. In 1944 he went with Southland as manager at Abilene, Tex., and in 1948 transferred to Fort Worth as manager.

He was president of Abilene Assn. of Life Underwriters, is now vice-president of the Fort Worth C.L.U. chapter and L.U.T.C. chairman there.

Mr. Aycock, a marine corps veteran, became an agent of Southland in 1948, is a graduate of the S.M.U. course, and became Arkansas manager when the company entered that state in 1949. Mr. King graduated from Southern Methodist, served in the army during the war and joined Southland as an agent at Dallas in 1949. In 1950 he was named agency supervisor at the home office and last January was promoted to home office agency assistant.

### Must Bargain with Engineers

National labor relations board has adopted findings, conclusions and recommendations of its trial examiner that Atlas Life has engaged in unfair labor practices.

The board ordered the company to desist from refusing to bargain collectively with local 948, International Union of Operating Engineers, as representative of all company employees in the Atlas Life building, Tulsa, who are required to hold a city engineer's license.

Office and clerical employees, supervisors and certain other specified groups are excluded.

The board denied the company's request for oral argument.

### Neb. Institute Elects Packard

Insurance Institute of Nebraska has elected Wayne L. Packard, vice-president and treasurer of Security Mutual of Lincoln, as president, and George Ling, Woodmen of the World of Omaha, as secretary-treasurer. Ralph E. Kiplinger, president of Guarantee Mutual Life of Omaha, was speaker.

## Gala Ceremonies Mark Berkshire's 100th Anniversary

A gala celebration was held at Pittsfield, Mass., last week marking the 100th anniversary of Berkshire Life. Ceremonies were held in the city park circle and a large crowd turned out for the unveiling of a plaque by Mayor Capeless on a corner of the Berkshire building.

Mr. Capeless paid high tribute to the company, remarking that it is greatly respected by competitors and throughout its 100 years has been known to be sound, friendly, of high purpose and integrity, and of real service to the city. He said that he could not wish it to be a better company, only a bigger company.

President Harrison L. Amber in his address commented that the company is moving forward at a faster pace than ever before, making great strides in strength and earning capacity. This alone is not worthy of great praise, he stated, but is only valuable to the community and the country if it transfers its growth to the betterment of humanity. Since life insurance does this, Mr. Amber remarked that Berkshire is proud not so much of its financial size as it is of the service it is rendering to humanity.

### 600 Tour Home Office

The home office held open house for employees and members of their families. More than 600 toured the departments, saw the various exhibits, and met the members of the staff. A dozen girls dressed in the colorful skirts of the 1850's acted as guides.

On exhibition were a 100 "candle" anniversary cake inside of the entrance of the building, a large book briefly reviewing the history of the company and the United States, and a scroll outlining the company's plans for the future.

On the top floor of the building, an 1851 room was reconstructed representing the original home office. Exhibited in the room were the original charter granted by the legislature of Massachusetts, a map of Pittsfield of that time, high bookkeeping desks, antique tables of the period, old ledgers, writing equipment, and scenes of Pittsfield in the 1850's.

Berkshire ranks 72nd for total insurance in force among the 600 life companies in the U. S., is 60th in premium income, 45th in total payments to policyholders, and 47th in admitted assets. The company does not write group or industrial insurance. Last year it had a record high of \$37,256,552 in new insurance, a gain of 10%, bringing total insurance in force to \$376,217,665.

The company was the first to provide non-forfeiture values in its policies and pioneered the writing of juvenile insurance, which now makes up \$14 billion of all insurance written.

### Washington Club Elects

Life Insurance Club of Washington has elected DeWitt Zook, Equitable Life of Iowa, president succeeding Richard E. Eckel, Northwestern Mutual. Arthur C. Pearson, Massachusetts Mutual, was named vice-president, and William H. Fogerty, Jr., National Life of Vermont, secretary.

### Honor Chattanooga Insurers

Commissioner Allen of Tennessee was principal speaker at a dinner at Chattanooga, honoring the three life companies there—Interstate L. & A., Volunteer State Life and Provident L. & A.

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## April Life Sales Up 4% Over Same Month Last Year

Life insurance purchases in April showed an increase of 4% over the corresponding month last year, Life Insurance Agency Management Assn. reports. The total in April was \$2,284,000,000 compared with \$2,194,000,000 in April, 1950.

Purchases of ordinary life insurance in April were \$1,510,000,000, up 12%, industrial \$466,000,000, negligibly changed; group \$308,000,000, decrease 18%. These represent new groups set up and do not include additions under group insurance contracts already in force.

In the first four months total purchases were \$9,170,000,000, increase 5%; ordinary \$5,710,000,000, up 10%; industrial \$1,771,000,000, decrease 5%, and group \$1,689,000,000, a decline of 1%.

## Ohio Federation Reelects Hiestand

Insurance Federation of Ohio today at its annual meeting at Columbus reelected J. C. Hiestand, vice-president and secretary of Ohio Farmers, as president.

Vice-presidents elected were Ben F. Hadley, Columbus Mutual Life, H. P. Young, Columbus agent; Louis McBride, Columbus manager for U. S. F. & Guaranty, and W. G. Alpaugh, Cincinnati, president of Inter-Ocean.

Elected to the governing committee were: Paul M. Smith, Herman O. Tice, Dean M. Kerr, Vincent G. Brown, E. F. High, C. J. Miller and Rodney F. Stock, all of Columbus; Paul H. Schultz, Mansfield, and R. L. Kester, Toledo. E. C. Anstaett, Columbus, president of Town & Village Insurance Service, and Homer Trantham of Columbus continue as treasurer and as executive secretary-counsel respectively.

The newly elected life committee consists of Robert K. Zimmer, William B. Hoyer, Roth H. Crabbe, Kenneth V. Fargo and W. O. Rayburn of Columbus, and Robert F. Horn, Mansfield.

Elected to the A. & H. committee were Clarence L. Peterson, A. W. Franklin, J. M. Steward, Charles H. Coghlan and E. W. Welton, all of Columbus, and W. A. Knight, Cleveland.

### Crichton Luncheon Speaker

Commissioner Crichton of West Virginia, the luncheon speaker, discussed current trends and developments in insurance and outlined the duties and responsibilities of commissioners, agents, companies and buyers. He said the commissioner is responsible for the administration of the insurance laws, the agent for sales and the company for the performance of the contract but that all of them together are responsible for progress.

Mr. Crichton said an open mind, willingness to accept changes, to look at the long-range picture and to keep up with the trends are essential if the needs of the public are to be served. He pointed out that insurance buyers are demanding "package" insurance and all-risk policies and that they should organize to make their demands effective. He spoke in favor of the extension and liberalization of group life insurance to make that type of coverage available to more individuals.

He also urged the adoption of shorter and simpler contracts understandable to the insurance buyer. He said it is of vital importance that insurance keep pace with the times and with the requirements of the public.

## 15 at John Hancock Course

Fifteen John Hancock agents have completed an intensive intermediate course at the home office in the funda-

mentals of life underwriting.

The two-week course dealt with integration of social security and life insurance, pensions for veterans' dependents, settlement options and self-organization.

This is the second school of this type sponsored by the general agency department. Instructors were James M. Smith, M. Lakin Hunter and Charles W. Hoover, agency assistants.

Reliance Mutual Life has moved its head office from Chicago to 15 South Northwest Highway, Park Ridge, Ill.

## 85 at LIAMA's School for Combination Field Chiefs

Eighty-five managers and home office agency officials representing 19 companies attended L.I.A.M.A.'s school at Savannah, Ga., for combination company field executives. Another school is scheduled later this year.

Elected as class officers were: President, William P. Hodges, vice-president and general manager Imperial Life of North Carolina; vice-president, A. L. Coffey, Jr., director of agencies of Life

of Georgia at Miami; secretary, J. H. Gatewood, assistant manager of agencies of Equitable Life of Washington, D. C., at Columbus, O.; treasurer, J. L. Brakefield, director of public relations Liberty National; sergeant-at-arms, D. L. Smith, manager of Liberty National at Memphis.

The school was under the direction of H. Fred Monley, director of schools and assistant director of company relations. He was assisted by Kenneth L. Anderson, Myron E. Dean, Brice F. McEuen, Lewis F. Youngblood, all senior consultants.

# Let us hand you these for YOUR OWN AGENCY



## in our *AGENT-PLANNED* Prosperity Contract



Men who know *your* side of the picture — successful general agency men with years of experience on the firing line — have seen to it that the Prosperity Contract is geared to the needs of the men in the field. They helped plan and write it. They *knew how* to make it provide the kind of cooperation and support others need to build and maintain a really prosperous business. Find out for yourself how The Midland Mutual Prosperity Contract helps build a bigger, better, more profitable future! Write today.

*The sure way to GET and KEEP good agents*

Write RUSSELL S. MOORE, Manager of Agencies, for details  
The MIDLAND MUTUAL Life Insurance Company  
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### TERRITORIES OPEN

Agency opportunities are open in these states—

Pennsylvania	Ohio	Tennessee
New Jersey	Iowa	Kentucky
West Virginia	Indiana	Illinois
North Carolina	Michigan	California

## Phoenix Mutual Expresses Thanks to Its Employees for 100 Years of Service

Phoenix Mutual Life observed the 100th anniversary of its founding in a celebration at the home office under the direction of D. Gordon Hunter, vice-president and agency manager, assisted by Herbert C. Skiff, 2nd vice-president. There were more than 1,000 guests, principally families of employees who toured the home office to inspect the numerous displays in each department. High point of the exhibits was a large mechanized display telling the story of life insurance in action.

Guests at an open house visited with President Benjamin L. Holland and other company officials. The home office was closed for the entire day on May 22 to enable employees to attend an outing at Hartford Golf Club, including all sorts of sports and a tea dance in the afternoon. The company banquet was held that evening at which a huge birthday cake was presented.

Earlier guests included officers of 12 life insurance companies from the region. Guests on May 21 included 39

Phoenix Mutual sales leaders who qualified during a 16-month competition and 18 agency managers. A group of men from allied businesses had lunch with the officers on May 23 and the speaker at this closing event was Bruce Barton, business executive and newspaper columnist.

### Appreciation of Employees

The general tenor of the anniversary observance was expression of appreciation to the home office members for their substantial contributions to the success of the company at its present strong position.

The company was chartered in 1851 as the American Temperance Life for the insuring of total abstainers only. While this platform proved sound from an underwriting standpoint, it turned out that total abstainers were not numerous enough to bring continued growth to the company and this requirement was dropped in 1861.

The company operated in the early years on both a mutual and a stock basis, but in 1889 Phoenix Mutual be-

came the first life insurance company to change to a completely mutual basis. Later the company was a leader in building an exclusively full-time agency organization and in establishing a home office training school for agents.

During the past century Phoenix Mutual has paid more than \$500 million in benefits to policyholders and beneficiaries and passed the billion dollar mark of life insurance in force in 1948.

As a part of the birthday celebration, the home office was flood-lighted by 12 lights, totaling 15,000 candlepower.

The oldest policyholder of Phoenix Mutual died recently at the advanced age of 100 years and four months. The late William Walmsley of Medford, Mass., was the only policyholder older than the company.

## Name Chairmen for LIAMA Combination Group Rally

Discussion chairmen for L.I.A.M.A.'s combination companies conference, to be held June 18-20 at White Sulphur Springs, have been named. "Agency Turnover Under Today's Conditions" is theme of the discussions which will make up the major part of the meeting.

Orville E. Beal, vice-president Prudential, chairman of the combination companies committee, will open the Monday afternoon session at which all company representatives will consider agent turnover as it is affected by current economic conditions and the military situation. W. J. Williams, vice-president Western & Southern, will lead discussions later that afternoon on some of the major causes of turnover, with emphasis on selection as an important cause.

Tuesday morning, W. J. Hamrick, agency vice-president Gulf Life, will preside during further discussion of reasons for high turnover, concentrating on the place of training in the turnover situation.

E. B. Stevenson, executive vice-president National L. & A., will serve as chairman Wednesday afternoon when what companies have done and are doing to combat high turnover will be considered.

Discussions will be based on a questionnaire survey of member combination companies. Company experience with the problem as found in the survey will be tabulated and distributed in report form during the conference.

## Hahne Article in "Record"

Rep. Bender, Ohio, inserted in the Congressional Record Appendix, as an extension of his remarks, an article by President Ernest H. Hahne of Miami University, Oxford, O., chairman Cincinnati branch Cleveland Federal Reserve Bank, on "Educational Responsibilities of Life Underwriters."

## To Assist Women's Clubs

At the annual meeting at Houston, Tex., of General Federation of Women's Clubs a new program was launched to bolster the financial knowledge of members of women's clubs throughout the United States. Consultants in the project will be Institute of Life Insurance, American Bankers Assn., and Assn. of Stock Exchange Firms. Marion S. Eberly, director of the women's division of the institute, spoke at the meeting.

## Manning on Chicago Card

H. W. Manning, vice-president and managing director of Great-West Life, will be a speaker at the annual meeting of Chicago Assn. of Life Underwriters, to be held June 21. He will talk on "And Not to Yield."

Commissioner A. Herbert Nelson was the guest of Minneapolis A. & H. Assn. at a dinner Tuesday. This was his first public appearance since taking office May 15. He is a former president of the association.

## Credit Restriction Program Effective, Lovejoy Reports

Thomas E. Lovejoy, Jr., president of Manhattan Life, addressing the New York chapter of Mortgage Bankers Assn., reported that in his opinion lending institutions are conscientiously carrying out the program of voluntary credit restriction, so that the program is already effective and will be even more so in the near future. He commented: "If these restrictions were compulsory, I think all institutions, because of human nature, would be looking for ways to get around such compulsory regulations. Being voluntary, it is my impression that a great deal of care is being taken in selecting loans which fit the pattern of not having an inflationary character. Since this voluntary credit restriction appears to be effective, this will of course have some effect on the supply of securities for sale. My personal opinion is that there is such a large volume of other corporate securities of the right character on the way that the result of the effective operation of the voluntary credit restrictions will not immediately affect interest rates, but it will help control inflation."

## Forecasts Steady Bond Market

Mr. Lovejoy forecast a bond market with yields around current levels for an extended period of time. In the mortgage market some adjustments will be necessary on the part of mortgage bankers if they want to place loans with institutions once the present large inventory situation has adjusted itself.

"I think there should be at least  $\frac{1}{2}\%$  increase in the yield on conventional mortgages in order for them to become competitive," he said. "In the case of FHA and GI loans there should also be an increase in the interest rate but I don't expect it because it is not politically expedient. However, the premiums on FHA probably will disappear or certainly drop substantially and GI loans probably will have to be sold at a discount. It is my thought actually that since GI loans will not be competitive and even be sold at a discount of one or two points, they are not attractive or competitive and we may see the supply of GI loans dry up."

## Cross-Currents in Money Market

Mr. Lovejoy commented that the drop in government bond prices since the pegs were removed has created pressures on the entire financial structure. He reported there is nothing distressing yet, but that there is a real squeeze going on. The entire money market is torn by cross-currents, some inflationary and others deflationary.

He forecast that the current oversupply of mortgages would not last much longer than six months, because insurance companies' cash inflow exceeds cash outgo as a result of the nature of the business. In the meantime, many of the institutions have entirely withdrawn from the mortgage market and mortgage money is tight, he declared.

He reported a substantial adjustment in the price of all classes of bonds as a result of the change in the government bond market and that whether the adjustment has been completed or not is anybody's guess. "I don't see any improvement in bond prices or reduction in yields on bonds for some time to come," he declared. "According to the information that I have heard, there is a tremendous amount of corporate financing on the way, which the public does not know about, and which will keep bond prices at close to current levels and possibly put them a little lower. The need for all this financing is the result of our industry trying to meet the needs of the rearmament effort and also carry out the 'butter as well as guns' philosophy. The objective is good and it is my hope that we will be successful," he stated.

## Making The Most Of A Good Thing

THE ONLY REASON for having life insurance is to prevent the financial disaster that death brings.

But death isn't the only thing that brings financial disaster. Disability does it, too.

That's why no life insurance plan is adequate—or safe—until it's supported with disability protection. That's why more and more people are cinching their life insurance protection with lifetime Accident and Sickness disability benefits.

We sell both—in one palatable package.

★  
**Occidental Life**

INSURANCE COMPANY OF CALIFORNIA

W. B. STANNARD, Vice President



★ ...a Star in the West

"WE PAY AGENTS LIFETIME REWARDS... THEY LAST AS LONG AS YOU DO"

## W. Merle Smith New President of N. Y. State Association

W. Merle Smith, manager at Buffalo for Mutual Life, was elected president of New York State Assn. of Life Underwriters at the annual meeting at Syracuse, succeeding George P. Shoemaker, general agent Provident Mutual, New York City.

Mr. Smith joined his company 30 years ago and has been manager at Buffalo since 1930. He has been active in civic, C.L.U. and agents association activities.

Philip R. Chase, general agent Northwestern Mutual, Syracuse, is vice-president, and Frank B. Alberts, general agent Aetna Life, Rochester, secretary. New regional vice-presidents are Louis Slesnick, Prudential, Buffalo, and J. Howard Davies, Phoenix Mutual, Rochester. Regional vice-presidents continuing in office are R. E. Blanchard, Metropolitan, Malone; H. R. Fleck, Equitable of Iowa, Albany; H. M. Lipes, Phoenix Mutual, Syracuse; R. E. Myer, Mutual Life, New York City, and A. Stewart Payne, Security Mutual, Binghamton.

The meeting came at the conclusion of the association's annual sales caravan, with stops at Albany, Syracuse and Buffalo. The association decided to add Rochester to its list of caravan stops next year.

Executive Secretary Spencer McCarty, Provident Mutual, Albany, chairman of the N.A.L.U. compensation committee, gave a detailed report on section 213. He indicated that the study bill introduced in the legislature in the last session will probably undergo some changes before its reintroduction in 1952.

### Schedule Advanced Seminar at Madison for Aug. 6-10

Wisconsin Assn. of Life Underwriters and University of Wisconsin are sponsoring a seminar in advanced underwriting at Madison, Aug. 6-10. A fee of \$55 covers registration and all living costs at a dormitory on the campus. The sessions will treat the problems involved in the transfer of property at death, how the type of business organization affects the problems involved, the special devices in the transfer of property, and the life agent's place in the estate planning team.

Speakers will include George J. Laiken, Chicago and Milwaukee tax attorney and counsel for the Wisconsin association; Lawrence E. Balza, New York Life, Green Bay; Charles C. Center, chairman of the university insurance department; Lawrence J. Larson, executive vice-president of National Guardian Life; Richard H. Marshall, vice-president First National Bank of Madison; Walter C. Mayer, Mutual Benefit Life, Milwaukee; W. J. W. Merritt, agency director Wisconsin National Life; A. Jack Nussbaum, Massachusetts Mutual, Milwaukee, N.A.L.U. trustee; Conrad Stauffacher, dairy farmer; William S. Stokes, professor of political science; Edwin H. White, Research & Review; Harold G. Wines, trust officer First Wisconsin Trust Co., Milwaukee; E. L. Wingert, Madison attorney.

### New York Caravan Riders Get "Appleknocker" Awards

The New York sales caravan has completed its circuit through Schenectady, Buffalo and Syracuse. Speakers who traveled with the caravan were Stanley Martin, general agent for State Mutual at Dallas; Mildred S. Stone, director of policyowners services of Mutual Benefit Life; Charles Malloy, district manager for Metropolitan at Harrisburg, and John Sutton, Guardian Life, Oneida. The appearances were presided over by Fred H. White, manager Massachusetts Mutual at Buffalo and Tim

Foley, general agent State Mutual, New York City.

As the caravan ground to a halt, George P. Shoemaker, general agent Provident Mutual, New York City, as president of the New York Assn., presented each member of the caravan with his "Appleknocker" certificate as a memento that the speaker has devoted a great deal of time to helping his fellow agents in up-state New York.

Mr. Martin gave his famous talk in which he compares life insurance with God in that only these two can guaran-

tee that a man can attain his objectives. Miss Stone, an expert in the writing of business letters, counseled her hearers in their letters to make sentences short, to use "talk" words and to be generous in personal words, people's names and active construction.

Mr. Malloy demonstrated his method of visualizing the "pay-off" of a policy instead of merely telling the prospect that it will pay so much. Using the family income for \$10,000 for illustration, he employed 239 separate blank checks to explain how the policy works, plac-

ing one check after another in front of the prospect.

Mr. Sutton, who was the hero of the life insurance film, "For Some Must Watch", provided some pointers about the current market to his listeners who are selling life insurance in the same geographical area as he is and under similar conditions.

Hal D. Glasgow, general agent of Guardian Life, has been elected a director of Memphis Sales Managers Club.

# New Power

# in Your Grasp!

Commissions computed in minutes . . . amortization schedules calculated with the speed of light . . . complex actuarial problems solved faster than the problems can be stated.

This is only a sample of the power put in your hands by the pluggable IBM Electronic Tube Assembly, the heart of the IBM Electronic Calculator. Here is power to do simple and complex calculation without the need for supervision of step-by-step operation . . . power to free men's minds from the burden of detail computation and to eliminate frequent human error.



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## Barker Outlines Demarcation Point Between Work of Agent and Attorney

Addressing Assn. of Life Insurance Counsel at Hot Springs, Va., John Barker, Jr., vice-president and general counsel of New England Mutual, mapped the area in the estate planning operation in which the life insurance agent can operate without running the danger of practicing law and those other areas in the "twilight" zone in which teamwork between the agent and lawyer is called for. According to Mr. Barker, the life insurance agent may with impunity direct his client's attention to the existence of a statute or legal principles. He may discuss the application of legal principles to specific problems where the result is clear and requires no legal interpretation, and he may advise his clients on legal matters which pertain solely to the life insurance contract.

### Points Agent May Discuss

According to the speaker, the life insurance agent may discuss the scheme of devolution provided for in the local intestacy laws and may outline the prospective heirs-at-law. He may describe the process of administration of

an intestate estate or indicate the duties of an executor. He may indicate the federal and state taxes which would be payable. He may describe the local exemption laws which under certain circumstances would free the proceeds of life insurance from creditors, but he should not attempt to construe these laws. "He may, without going into the back room and lowering the shades, tell the prospect of the existence of that phenomenon of our economy known as the marital deduction, and illustrate by specific computations the type of tax savings that this will accomplish," Mr. Barker declared.

He said that at the point where the prospect is convinced that he should have a plan and when it becomes apparent that legal advice will be required in its fulfillment, then the life agent should recommend a lawyer. The agent may call attention to the existence of legal problems which will arise in the process of accomplishing these aims, but the lawyers should be summoned for their execution, he said.

The speaker commented, "Some life underwriters believe that they will

achieve immunity from an accusation of unauthorized law practice by prefacing their discussions and surveys with a forensic hand-washing in a bow to the bar and an assertion that they are not lawyers and do not pretend to be. This self-abnegation will not accomplish the desired purpose by itself. The primary function of the life underwriter is to expound the value and usefulness of life insurance in the estate plan as a whole. If he undertakes to furnish the plan itself in a complicated estate, then he will find himself confronted with the necessity of making legal interpretations and reaching legal conclusions."

### Performing Dual Role Difficult

Mr. Barker commented that two years previously in addressing a group of agents of his company he provoked a lively discussion by a remark that there was nothing in the statement of principles of cooperation between agents and lawyers adopted by the American Bar Assn. and N.A.L.U. that would specifically preclude pursuit of both callings by the same individual. "It is now my opinion, however, that it would be difficult for a person to perform this dual role, without a violation at least of professional ethics and probably of legal principles. It is not uncommon for a life underwriter to be equipped with a law degree and some are accredited members of the bar. If the life underwriter decides to qualify as a lawyer, or conversely, if the licensed attorney obtains the necessary credentials to sell insurance, there is no offense to society, but when the licensed member of both professions seeks to combine them actively he will step into the danger zone. Implicit in the combination of the two activities is that the non-legal business will provide the lawyer an indirect method of soliciting professional services. This hazard is increased, not diminished, when the business enterprise is one which coincides in many aspects with the practice of law," he declared.

### Partnership Also Impracticable

He said that it is equally impracticable from the standpoint of the attorney involved for a partnership to be carried on between the life insurance agent and a licensed attorney where each remains in his own preserve, but the firm supplies both legal and insurance service to the client. It would be difficult, if not impossible, he declared, to avoid a division of fees, which is contrary to the rules of both professions, and for the lawyer it would almost inevitably constitute an unethical solicitation of professional employment.

According to the speaker, an approach which is becoming more prevalent and which may be followed within the bounds of propriety if adequate safeguards are observed, is for the life insurance agent to employ an attorney on salary or retainer. It is clear that a lawyer may accept employment from an individual, firm or corporation, and when the life insurance agent is the employer, both parties to the engagement must observe some rather difficult precautions, he observed. The attorney's activities must be restricted to the rendering of advice within the confines of the agent's organization. The statement of principles specifies that it is improper for the agent to furnish attorneys who will give legal advice to clients and to circulate any legal opinion or use it as a selling document. Mr. Barker said that in other words the agent may seek the opinion of his personal attorney as to the insurance program he has prepared for his prospect, but he must avoid creating the impression in the prospect's mind that legal skill and judgment are part and parcel of the deal. It is important that the attorney's professional attainment should be not advertised or held out to others.

According to the speaker, the statement of principles warns that it is improper for the agent to furnish attorneys who will give legal advice to clients or to attempt to divert legal business from one attorney to another. However, where a person obviously requires legal advice and asserts that he has no lawyer

and bluntly asks his life insurance agent to recommend one, it is proper for the agent to do so and as long as the element of barter of services in this arrangement between the agent and the lawyer is absent, the arrangement is above reproach, he declared.

## Two New Actuaries in N. Y. Department

Superintendent Bohlinger has appointed two life actuaries in the New York department. Allen L. Mayerson, formerly of National Surety, has been named principal life actuary, and Robert J. Randall, formerly of Mutual Life, associate life actuary. Both positions are in the New York office of the department.

Mr. Mayerson holds a B.S. cum laude in mathematics and an M.A. in actuarial mathematics from University of Michigan. He is an associate of Society of Actuaries and Casualty Actuarial Society.

Mr. Randall holds a B.S. in mathematics from Sheffield Scientific School at Yale, and has taken graduate courses in mathematics and mathematical statistics at Columbia University. He is an associate of Society of Actuaries.

## University of British Columbia to Have Life Insurance Course

University of British Columbia is establishing a course in life insurance in its school of commerce, the first to be offered in a Canadian university.

Purpose of the course to familiarize students in the commerce school with the practices and policies of the institution of life insurance and its role in the Canadian economy. It will comprise studies of risk-bearing and rate-making; the legal background of life insurance; the range of policy provisions in such contracts, and their application to the financial problems of individuals, partnerships, and corporations; the investment practices of Canadian life insurance companies.

Sufficient financial support for the project had been advanced by the life companies in Canada through the Canadian Life Insurance Officers' Assn. to guarantee the continuance of the course for at least two years.

Lectures will be given by Prof. Leslie Wong, under the supervision of Prof. E. D. MacPhee, school of commerce director. The curriculum provides for 75 lectures each year.

A special committee of the Vancouver life managers has been named to act as a liaison between the University and the life insurance industry. It will also be available to the school in an advisory capacity. Its members are: R. A. Sanderson, Canada Life, J. A. Broadbent, Manufacturers, R. G. Cameron, Dominion, C. F. Dunfee, Great-West, and A. L. Wright, Sun Life.

## Old Age Insurance Director

Gov. Browning of Tennessee has appointed W. W. Farris, Memphis, state executive director of old age insurance, a post created by the 1951 legislature. He will work out a system of retirement insurance for municipal employees not already covered by local systems.

Charles T. Houston, recently appointed assistant manager of the insurance department of the U. S. Chamber of Commerce, has for 10 years been deputy commissioner and insurance department counsel in Tennessee. A successor has not been named to the state post, which he will leave on June 1.



**OUR** territory of 39 states and the District of Columbia is just right for us. It gives us plenty of "elbow room" to undertake more than our share of the big job that life insurance has to do these days.

The time is right for us to keep on growing and doing great things; so, we are being extra aggressive — getting out new, easy-selling policies; paying very liberal commissions; and offering coverage from ages zero to sixty-five on risks from preferred to sub-standard.



**KANSAS CITY LIFE INSURANCE**  
*Company*  
KANSAS CITY, MISSOURI

## Mueller Tells What Agent Wants in Company Leader

In addressing the annual meeting of H. & A. Underwriters Conference, E. H. (Count) Mueller, Wisconsin general agent of Provident Life & Accident and Pacific Mutual Life, speaking for the men in the field, told what the agent desires most in the way of company leadership and some of his objectives.

He declared that the agent wants a leader that he can look up to. He wants a man who is democratic and takes an interest in his success. He wants recognition of his ego. He wants to be able to make a profit, with the best of sales material, policies that are competitive and the privilege of telling the management what he thinks about things.

Mr. Mueller said many of the addresses that he had heard at conference meetings had shaped his thinking very strongly. He referred especially to a talk given many years ago by Dr. H. W. Dingman of Continental Casualty, who said that as the agent is, so is the business. He said he wanted to paraphrase that to read: As the leader in the company is, so is the agency organization.

### Two Types of Leader

He described the two types of leader, one who is friendly and approachable and the other who thinks that the agent is a necessary evil. "A happy organization makes money for you and itself," he said. The real leader appreciates the importance of the field men and appreciates their problems. Where there is a bureaucratic type of home office organization, the larger it becomes, the more virulent is the disease.

He told of attending an agency convention of a large life company, where a committee was appointed to notify the president that it was in session and he then marched down the aisle, properly escorted, while all the agents stood at attention. That man's successor, he said, was of the opposite type and its business began picking up just as soon as he took over.

He told of another company president who made an unheralded visit to one of its agencies and spent two hours talking to the agents about ways by which they could make more money, thus winning the undying loyalty of the general agent and his men. He spoke of the advertisements of another life company which stress the amount of money the agent is going to make.



E. H. Mueller

Mr. Mueller said he was strongly impressed by what an executive of a company he once represented told him: "You and I are partners. We both want to make a profit. If you don't, you are unhappy. If we don't, you get fired."

He compared the company to the locomotive of a train and the agency force to the tender, which furnishes the fuel to get up steam, with the general agent as the coupling pin which holds them together. If it is lost they go apart.

He said few agents complain about not getting enough commission, but they do want more recognition. The agent always has in his mind the idea: "I want to be important." When agents get discouraged, they should be encouraged with praise. They need good sales material. It has been said that a good sales talk is like a sharp knife, but sooner or later it's going to get dull. He urged that the company house organ should be for agents. The more names in it the better.

Changes have been made in company

practices which have brought about a better public acceptance and built up better public relations, he said. They are not canceling at the drop of the hat as they once did.

They don't cancel after the first claim. They are much more liberal on confining illness.

There has also been a great improvement in the relations between agents and between companies. When he entered the business he was given a bunch of prospect cards which contained the name of the company in which the prospect was insured and the expiration date of his policy, so as to inform him about the best time to pick it up. In contrast, he cited a case he had encountered recently where an agent, after careful examination of the policy a prospect was carrying, strongly advised him to keep it, stating that he could not offer him one today that would be as advantageous to him. Mr. Mueller commented that only a few years ago that could not have happened.

Leon Jonas has been appointed agency supervisor of the Edward L. Rosenbaum agency of Mutual Benefit Life at New York City. Mr. Jonas entered life insurance eight years ago, joining the Rosenbaum agency in 1949.

## Policy Purchases On Youngsters at Peak in 1950

American families bought a record amount of life insurance on children last year, the Institute of Life Insurance reports.

The amount was \$3 billion, several million youngsters being newly insured. Total juvenile life insurance in force in the U. S. is now \$17 billion.

The extensive writing of juvenile life insurance has been primarily a development of the past 10 years, particularly in connection with ordinary insurance. Prior to the '40s, relatively few were bought on the ordinary plan for those under 15.

Last year, about 8% of all ordinary insurance purchased was on children and more than one-third of the industrial life insurance bought was juvenile.

There has been an increasing trend in recent years to insuring the children at younger ages. This is illustrated by the fact that in 1950 two-thirds of the juvenile cases were on children under age 5. Many companies now insure immediately after birth.

# Broad Insurance Coverage

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Sub-Standard Service

Participating Insurance

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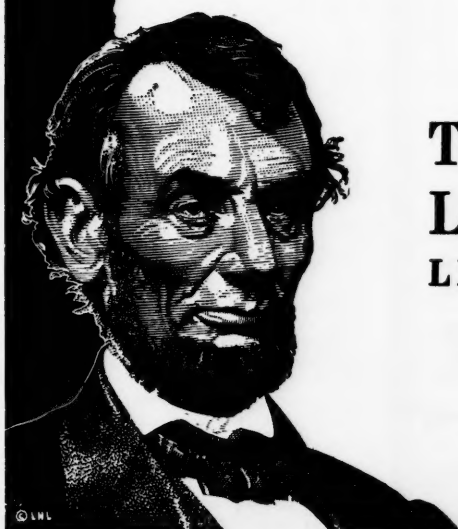
## The LINCOLN NATIONAL LIFE INSURANCE COMPANY

Fort Wayne 1, Indiana

*Its Name Indicates Its Character*



Travis T. Wallace, Great American Reserve, and Ardell T. Everett, Prudential, at H. & A. Underwriters Conference meeting.



## Impact of A. & H. on Life Insurance in Years Immediately Ahead Is Analyzed

A favorite discussion topic in the life business today is the accelerated pace at which companies are deciding to write personal A. & H. and the effects these decisions will have on insurance.

Recently New York Life and Prudential announced their intention to market personal A. & H. Equitable Society is reported easing gradually into the A. & H. waters with a catastrophe hospital expense cover and seems destined to get in all the way soon. Mutual Life has let it be known that it is interested. Metropolitan, the largest life underwriter, holds the same top spot in A. & H. Travelers and Aetna are old standbys in the A. & H. game and occupy top positions there, just as they do in life insurance. This leaves Mutual Life on the fence, and only the John Hancock, Northwestern Mutual, and Lincoln National, of the top 10 U. S. companies, out of A. & H.

### Double the Activity by 1952

A rough guess suggests that by the end of 1952 there may be double the current manpower with an active interest in selling A. & H. If there are, for example, an additional 30,000 life agents talking it up with the public, the impact there and on the trade will be

enormous. A. & H. seems slated for an even greater growth than it experienced in the past 10 years when it quadrupled in premium volume while life premiums only doubled.

These developments encourage speculation on future events and raise some interesting questions.

How much stiffer will competition be with so many more agents selling A. & H.? Will life agents, general agents and agency managers really get interested in A. & H.? Will A. & H. selling help new agents to get started in the life business? Will it ease agent financing problems? How successfully can the thousands of life agents be trained to sell A. & H.? Will companies have to rely on new agents for success in the field?

Will greater A. & H. volume force down rates and tend to maintain them despite inflation? How long can the level A. & H. commission structure endure in view of a life company liking for a high-low payment system and a general trend toward that method of payment to reduce costs?

What great new changes will the mass entry of life companies to A. & H. make on that business? What sales, management, and actuarial methods will be altered?

What new claim procedures will result as companies strive to systematize? Will disputed A. & H. claims impair the reputation of life insurance where a claims problem is an unusual event instead of the common occurrence it is in A. & H.? Can effective control be established at state level to prevent the few renegade A. & H. companies from ruining the good reputation of the life business, especially if greater competition breeds unfair tactics?

### Curb on Social Planners?

Will the companies be able to curb the demand for unsound social legislation by expanded sales of private coverage? Can they avoid political entanglements on A. & H. so that they do not involve the life business in controversy? How large a part in the life business will A. & H. play? How long can other companies stay out of the A. & H. field?

The Life Insurance Assn. of America, American Life Convention, and L.I.A.M.A. all have committees on A. & H. matters. Already functioning in the A. & H. field are the Bureau of A. & H. Underwriters and the Health & Accident Underwriters Conference. A companion to National Assn. of Life Underwriters is the International Assn. of A. & H. Underwriters. What functional mergers or changes in working principles can be effected, if any, in these organizations if A. & H. continues to grow?

The life business now has a well established central source of information in its Institute of Life Insurance. There has long been pressure for the organization of an Institute of A. & H. Insurance. Something may eventually be done along that line.

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## Investing of Life Funds Near Record in First Quarter

Life insurance investment activity was at near record in the first quarter, with placement of funds accumulated for policyholders very near the \$4 billion mark, according to the Institute of Life Insurance.

A large part of the quarterly total of new investments came from reinvestment capital, rather than new funds, as the net increase in the assets of all U. S. life companies was \$1,123,000,000 in the three months.

Largest single block of the quarter's new investments was in real estate mortgages, totaling \$1,494,000,000. This was half again as much as a full year's investment in new mortgages five years ago and was \$564,000,000 over the first quarter of last year. It was a reflection of the large volume of completions during the first three months of construction for which financing commitments had been made prior to the establishment of credit restrictions last fall. Total mortgage holdings of life companies are now in excess of \$17 billion, more than one-fourth of total assets.

Purchase of U. S. corporate securities continued at a high rate, with \$831 million bought in the three months. This was less than corresponding new investments in last year's first quarter, however, due largely to a decreased purchase of utility bonds and corporate stocks. Holdings of corporate securities rose to nearly \$25 billion on March 31.

Buying of U. S. government securities increased in the first quarter, extensively a replacement of long term bonds with short-term notes. Total holdings of such securities declined to \$12,630,000,000 in the quarter, as maturity values on many of the short-term notes were used to meet commitments.

O. Kelley Anderson, president of the New England Mutual Life is chairman of the national business conference to be held June 9 by Harvard business school association.

## Business and Professional Women ARE BUYING



## Mutual Trust RETIREMENT INCOME POLICIES

Mutual Trust Life's  
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"How \$20 a Month Can Help You Build A Secure Foundation for your Future" is getting results among business and professional women. An attractive folder and visual sales aid explains the plan. An effective "Reply-O-Letter" plus a suggested sales presentation coordinate sales efforts.

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## Receipt-on-Request Plan in National Use by N. Y. Life; Policyholders Like Idea

New York Life, which makes more than seven million premium collections annually, has now adopted for national use the premium receipt-on-request procedure.

The company tested its new system in seven branches for six months before deciding to use it countrywide. During the test these branches made more than 325,000 premium collections. The plan received overwhelming policyholder approval. Only 66 of the 325,000 premium payers flatly objected to it on first acquaintance. About 2.9% requested premium receipts in addition to their cancelled checks. This was an original reaction. The percentage is expected to decrease.

Annual savings estimated at well over \$300,000 in clerical, postage and printing costs are anticipated from the plan.

Test branch offices used were at Atlanta, Fort Wayne, Illinois Clearing House and Northern Illinois, both in Chicago, St. Louis, Pittsburgh, and Washington.

Those acquainted with these programs as their use has spread through the industry have always felt confident that they would be well received by policyholders if they are understood. The New York Life experience supports their contention. Actually, any policyholder who wants a receipt in addition to his cancelled check may have one. Cash premium payments, of which there are comparatively few, are always receipted. Since receipts given for other than cash payments have always been conditional upon actual collection of the funds due, most policyholders realize that a cancelled check is really better evidence of a payment having been made than a premium receipt. So there is but a slight area for complaints at most.

As insurance against repercussions from policyholders, the company took the view that the cost cutting project represented a first-class policyholder relations project, one to be "sold" to policyholders by adequate explanation in advance. This attitude has been an important part of the plan's successful installation.

### System Well Tested

First, the company spent considerable time devising its plan. This was carefully tested in the seven branches. The basic plan was then revised to suit the requirements suggested by the field tests in various areas under different conditions. From this experience evolved the plan now in operation.

A new premium notice form was designed. New I.B.M. accounting procedures were adopted by the home office to facilitate the installation and functioning of the over-all program.

The comptroller's department, in collaboration with the agency and other departments, administered the change. A complete new manual of instructions for premium accounting and reporting was prepared for branch office cashiers.

Policyholders and agents were also advised of the new plan, the reason for it, the savings it would make possible, and so forth. An announcement folder was sent to each policyholder with two successive premium notices to assure attention.

The public relations department drew up special plans for getting the system accepted readily by policyholders.

As one phase of this activity, branch offices were supplied in advance with a series of 13 guide letters to be sent to policyholders in answer to written comments on the program. A systematic procedure for collecting these comments maintained an up to date index of policyholder reaction. In its guide letters the company tried to call the shots of policyholder reaction in advance so that replies to correspondents would be ready to be sent out with the least possible delay.

These model letters drawn up by the public relations department include a

brief "thank you" note for those saying simply that they like the program. There is one explaining to the policyholder who says "Hope this means bigger dividends" that substantial economies are needed to offset rising costs of recent years and that many factors are involved in the determination of dividends.

Another guide letter explains to the objector how necessary the program is and what it will accomplish. "Hot" letters are acknowledged by branch office cashiers and then go to the home office for a detailed response or special public relations treatment.

### Settle Fears of Lapse

Another letter assuages the fears of the policyholder who suggests that his policy might lapse under a no-receipt system. This points out that that situation would not be new. Under the former method of operation checks occasionally were lost. The policyholder is advised that it has been the company's experience that very few policyholders have been prompted by not receiving a receipt to inquire whether their payment had arrived. The letter

points out that in a case of this sort where a lapse occurs, the company's practice has been to have the branch office get in touch with the policyholder and enclose a reinstatement form, stating "the company will be pleased to accept the payment due provided only that it is tendered during the lifetime of the insured and before the date specified."

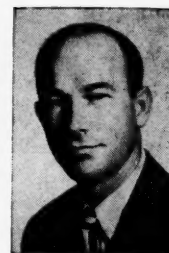
As would be expected, a few objections to the plan were just plain cranky and unreasonable. Some of these can be attributed to the tendency of people to take a crack at a big company just for the sake of doing so, or to let off steam. This probably makes them feel better. It doesn't bother the company.

Technicalities of the program, such as what to do when a policy has been assigned to a bank and it wants to receive notice of premium payments regularly, have been solved.

There have been only a few cases where a policyholder claimed to have paid by check but the company had no record, and no instance where payment of a claim hinged on whether a disputed premium had been paid or not. In addition to the regular lapse notice and subsequent reinstatement opportunity, the wider use of the automatic premium loan option cuts down the number of instances where such a problem would arise.

## American United Life Enters Houston, Fills Detroit Post

American United Life has appointed M. J. Parten manager of a new office at Houston. Mr. Parten joined Prudential upon release from the navy in



M. J. Parten



Fred Lyon

1946, at Huntsville, Tex., and was transferred later to Beaumont. He was an organizer of the Huntsville association, serving as president and secretary-treasurer.

Fred Lyon, who is taking over American United's office at Detroit, since 1946 has been with Northwestern Mutual in Detroit.

For Many Employees of Your Group Prospects  
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## The Year of Incision

(Each year one out of 10 persons is confined in a hospital, and about 80% of them have surgical operations)



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## EDITORIAL COMMENT

### Abuse of Frankness in Discussions

Information that a representative freely divulges to competitors at trade association meetings in a spirit of co-operation is of great help in a business where pooling of data is often essential to the success of a particular operation.

Knowledge of the prior experience of others has helped many companies to avoid the pitfalls of the trial and error method.

The admission of mistakes or especially troubling problems is of more than ordinary value. What has troubled one company may quite naturally bother another.

Consequently it is discouraging to hear that there persist in the business men who will take these trade confessions and use them to the disadvantage of the company disclosing the informa-

tion.

An instance of this occurred after a recent meeting in which one person admitted his company had to recruit 500 agents a year to maintain the size of its agency force. Several weeks later a competitor used the information to try to swing an outstanding agency supervisor away from the company to become its general agent. The supervisor was wooed like this: "Why stay with this company when you'll have such a tremendous problem of recruiting just to stand still? Come with us where life will be easy . . . etc."

Such conduct seriously threatens the splendid results now being achieved from increased frankness at trade group sessions. Without such frankness, the value of such sessions diminishes.

### Discretion vs. Guarantee—Why Not Both?

Many trust officers say, and doubtless with much reason, that life insurance agents are too prone to tie up clients' insurance proceeds in settlement options when a life insurance trust would have much more flexibility and would provide the discretionary feature of trust company administration. Yet many life agents, also with much reason, like to give their clients the security of a guarantee backed by the insurer's entire assets—a guarantee that operates both as to interest and principal, as contrasted with no guarantee at all from a trust company.

The main thing that a trust has that settlement options lack is discretionary power that keeps a widow from unwise financial moves while still being elastic enough to provide for emergencies or other eventualities not foreseen before the insured died. The main thing that settlement options have that trusts lack is those guarantees—as absolute as you can get.

But why not give the policyholder the advantage of both of these heretofore mutually exclusive advantages? The trust company is selling two kinds of service: Money management, which the life companies also provide; and discretionary power, which is not in the life companies' province.

Is there any basic reason—except that it's not being done—why a trust company couldn't offer the discretionary side of its service in controlling the paying out of life insurance proceeds according to a general plan indicated by the insured but subject to change,

within specified limits, in the event that conditions made other arrangements seem wiser? If a trust company's discretion is to be relied on when it is managing the investment of the funds, need it be any less reliable because the proceeds are across the street in the life insurance home office?

Years ago a prominent life agent in New York City attempted to effect somewhat the same result by another method. He gave his wife discretion to withdraw proceeds left under an option but only with the approval of one of three named family friends. By naming three, he was attempting to make reasonably certain that at least one of the three would be available when needed.

If the same discretionary power could be had through a corporate trustee, however, it would be far better than relying on a friend, who, after all, might well have no better judgment than the widow.

By making its discretionary power available without insisting on also being custodian of the proceeds a trust company could readily offer its services to insurance estates of much smaller size than it would now consider attractive. There might at first be legal hurdles, but if the idea is basically sound they could be removed without too much trouble.

Advantages from the life company standpoint would include freedom from the vast number of periodic changes in settlement agreements necessitated by attempts in programming to provide for all possible contingencies.

## PERSONAL SIDE OF THE BUSINESS

Arthur R. Hustad, Twin Cities manager of the White & Odell agency of Northwestern National Life, will be one of nine graduates of University of Minnesota who will receive the university's outstanding achievement award at the annual alumni banquet May 25. He is a former president of the alumni association, served as first chairman of the board of the Greater University Fund and continues as a trustee.

Paul R. Snyder, manager of Metropolitan Life at Newport, Ky., has been elected president of the newly-formed Campbell County Civic Assn.

J. Howard Oden, president of North American Reassurance, is recuperating from an operation at Harkness Pavilion in New York City.

Horace R. Smith, superintendent of agencies Connecticut Mutual Life, spoke to business administration seniors at Yale University on "Choosing a Career."

Ralph E. Kiplinger, president of Guarantee Mutual Life, addressed the Insurance Institute of Nebraska at its monthly meeting in Omaha on "Some Bright Spots in the Long View Ahead." He stated that men in the life insurance business have the right to be disturbed, but from the long point of view ahead, the institution of life insurance has many bright spots.

Raymond R. Brown, president of Standard of Oregon, addressed the annual Pacific Coast conference of the Controllers Institute of America on the

problem of inflation during the mobilization period, with special reference to the effect on life insurance policyholders and companies.

Norman H. Nelson, vice-president of Minnesota Mutual Life, has been elected a director of Saintpaulites, Inc.

Charles A. Anderson, personnel manager of the group division of Metropolitan Life, has been elected chairman of New York Personnel Management Assn.

Out of contestants from many different types of businesses, Bernard Shahan, Equitable Society, was voted the best non-retail salesman in a contest sponsored by Denver Sales Executives Assn. The recommendations of 139 different sales managers were voted on by a committee which selected Mr. Shahan as possessing more desirable sales traits than any other Denver non-retail salesman.

W. W. Jones, who has become South Carolina state manager for United of Chicago, entered the insurance business at Columbia, S. C., in 1930 as an agent for Carolina Life. In 1932 he went with Metropolitan Life and then from 1933 until 1944 he was with Palmetto State Life, first at Columbia, then at Rock Hill, S. C., as district manager and later at Greenville, S. C., as manager. He organized Peoples Guardian Life of Greenville in 1944 and has been the president. This company has now been reinsured by United. Mr. Jones is past president of Greenville Exchange Club.

### This Agent Has a Motivating Story Good for a Lifetime

Sometimes motivating life insurance stories have an artificial ring but this experience actually happened recently to an agent in Minneapolis for Central Standard Life of Chicago, which he writes in his own words:

"I seldom work on Sunday but I had a prospect that I could not see at any other time. This young man was to be at the home of some friends of mine on Mother's day. I went out and was in the house about 40 minutes when the man of the house dropped to the floor with a stroke. After he fell I think he died in about two minutes. His head was in my lap when he died.

"You have no idea what this does to a person."

As a natural postscript, the agent sold the prospect a sizable policy for a larger amount than originally discussed. After the funeral, the agent sold the daughter of the deceased, who himself had been a Central Standard policyholder for many years.

Frank L. Simpson, general agent for Pacific Mutual Life at Sacramento, Cal., has moved his agency offices from a downtown area to a decentralized location on Alhambra boulevard.

## DEATHS

WILLIAM J. YOUNG, 56, comptroller of Fidelity Mutual Life, died

of a heart attack at his home at Brookline, Pa. Mr. Young had started with the company 40 years ago. He entered the actuarial department in 1912 and subsequently headed the payments to members division. In 1932 he was transferred to the real estate and mortgage investment department where he became the department's first secretary and in 1944 became assistant treasurer of the company. He was named comptroller in 1946. Mr. Young was an army veteran of the first war. He was a fellow of L.O.M.A.



William J. Young

ROY J. LONG, for many years general agent of Great Northern Life at Detroit, well-known in both life and A. & H. fields, died there after a long illness.

GEORGE ALBERT SMITH, president of Beneficial Life, died at Salt Lake City.

I. F. MYER, 79, who helped organize Scranton Life in 1907 and had been the company's Indiana manager since 1929,

## THE NATIONAL UNDERWRITER

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PITTSBURGH 23, PA.—503 Columbia Bldg., Tel. Court 1-2494. Jack Verde Stroup, Resident Manager.

SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. EXbrook 2-3054. F. W. Bland, Pacific Coast Manager. John E. Caughman, Pacific Coast Editor.



died at his home at Flora after a prolonged illness.

**A. C. NELSON**, 77, vice-president and director of Midland National Life of South Dakota, died of a heart attack at Watertown, S. D.

**PETER W. R. FAHEY**, 74, for 45 years with Northwestern Mutual Life at St. Paul and for many years general agent, is dead. He retired in 1944.

**LEON M. GALLOWAY**, 62, district manager of Liberty Life at Jacksonville, Fla., died at his home there after a brief illness.

## OBSERVATIONS

### Fear More Child Deaths

Metropolitan Life statisticians are currently expressing concern that the increasing employment of mothers in defense plants will mean an increase in fatal accidents among young children. Such a rise in the death rate from accidents occurred among children at the pre-school ages during the last war. Accidents at ages 1 to 4 in the United States total about 5,000 yearly, accounting for one-fourth of all the deaths at these ages and a far higher total than that for any single cause of death, according to the Metropolitan mathematicians.

### A. & H. Personnel in Demand

A management and administrative personnel shortage in the A. & H. business may be forthcoming as the big life companies expand their activities in the field.

Companies have already found it difficult to locate the personnel with the experience and skills they want. Extended A. & H. activity will also become more expensive as the shortage results in an increase in compensation requested by personnel approached with a job offer. One of the big problems of entering A. & H. is that it is almost impossible to do on a piece-meal basis. For competitive reasons agents want to be able to sell the entire line. Consequently a company usually wants to organize and establish a complete unit to conduct its operations. A. & H. doesn't lend itself to being an additional duty for another department.

### Longevity Odds Improving

Metropolitan Life statisticians have found that an American boy entering employment at 18 has 66 chances out of 100 to live to the retirement age of 65. His grandfather, who started work about the turn of the century, had only

51 in 100 chances to attain 65. These experts have found that the outlook today for years of life after the age of retirement is more favorable than is generally realized. The chances are 58 in 100 that the man of 65 will live at least 10 years longer. The average man has about 88 chances in 100 to survive from his 23rd to his 52nd birthday, the usual interval from marriage until the last child leaves the family. A woman at 23 has 94 out of 100 chances to live to her 49th birthday to witness the marriage of her youngest child. The figure was 80 out of 100 in 1900.

### Life Insurance "Tithers"

The survey research center of the University of Michigan, working for the Federal Reserve System, has discovered that there are well over three million life insurance "tithers" in the U. S., that is spending units putting 10% or more of their disposable income into life insurance.

According to Institute of Life Insurance, the Michigan survey shows that 8% of the insured spending units were in this "tither" category; that 29% were putting 5% or more of their income into life insurance and 55% used 3% or more in this way.

The "tithers" were found in all income groups, varying from 23% in spending units with incomes under \$1,000 to 4% for those in the \$3,000 to \$3,999 income group. Among those with incomes of better than \$7,500, 11% were in the "tither" class.

### Can Ask War Damage Cover

There is a fairly standard clause in life company mortgages by which they will be able to require mortgagors to purchase war damage insurance, if and when it becomes available.

This clause usually begins "mortgagor will continuously maintain hazard insurance, of such type or types and amounts as mortgagee may from time to time require . . ."

### Fewer Records, More Space

Approximately 6,000 square feet of working space has been added to the home office of Bankers Life of Iowa in the last five years with no investment in building or rental. The extra space furnishes working area for approximately 60 people and was gained through a comprehensive record destruction program. Three cabinets with about 25 miles of microfilm store everything that was contained in 6,000 square feet of file cabinets and shelves. The company did away with 75 tons of paper.

## Southern Advertising Men Change Guard

**John L. Briggs**, Southland Life, retiring chairman of the Southern Round Table of Life Insurance Advertisers Assn., left, congratulates the new chairman, **Joseph M. Locke**, Gulf Life. **Richard L. Hindermann**, center, Pan-American Life, was elected vice-chairman. **C. Richard Andrews**, Pilot Life, the new secretary, was called home from the meeting at Atlanta before this picture was made.



### Actuaries of Southwest to Meet at Waco June 8-9

Actuaries Club of the Southwest will hold its spring meeting at Waco, Tex., June 8-9. There will be a discussion on records for small companies, including an attempt to evaluate the minimum set of records which a small company can maintain and what additional records are required for sound management. There will be treatment of expense allocation by line of business. In connection with furnishing information to insurance publications, the actuaries will exchange opinions as to whether the volume of information now requested by the publications is an unfair burden on the companies, to what extent such requests are ignored or only partly complied with, and what methods are used

to allow the publications to extract their own information from printed material.

The actuaries will attempt to determine in connection with substandard practices to what extent companies underwrite and retain substandard business, what limitations as to amount of extra hazard should be imposed. They will discuss the practices followed in computing extra premiums and treat special plans, such as single premiums. They will attempt to discover what practices are followed in paying commissions on substandard extra premiums.

Amicable Life has arranged for a reception prior to the closing dinner. Through the office of K. H. Easley, secretary-actuary of Amicable, dancing and golf have been arranged for those attending.

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## LIFE AGENCY CHANGES

### Florian Takes Over Chicago Post for Conn. Mutual Life

Connecticut Mutual has appointed Robert E. Florian general agent at Chicago, as of June 1. He fills the post left vacant by the transfer of J. H. Farrar to Cincinnati several months ago.

A year ago Mr. Florian opened a downtown agency for State Mutual Life at Los Angeles. He has been in life insurance since 1935, starting with Penn Mutual and becoming an assistant general agent. He became assistant general agent for Aetna Life in 1943 and, after a period of army service, rejoined Aetna as general agent in Salt Lake City.

He has been president of the Toledo Life Underwriters Assn., a director of the Ohio association and of the Salt Lake association and president of Salt Lake C.L.U.



R. E. Florian

from staff manager of Prudential at Warren, O., to head Toledo district 3. He succeeds Leon M. Wear, transferred to Lima.

With Prudential since 1936, Mr. Snyder was successively agent and staff manager at Warren and since 1946 has been in charge of the detached office at Salem. He is now vice-president and secretary of Warren Life Underwriters Assn.

### Guardian Opens Houston Agency, J. S. Jones Manager

Guardian Life will open a new agency at Houston, Tex., June 1 with Jewel S. Jones as manager.

Mr. Jones entered the business as an agent in 1928 and after gaining supervisory experience opened a general agency three years later at Kilgore, Tex. He went to Houston in 1946 and became manager there for Occidental Life of California the following year.

### Wildrick Made Manager

E. W. Wildrick has been appointed manager of Sun Life of Canada at Jacksonville, Fla., succeeding the late LeRoy Johnson.

Mr. Wildrick, who at one time was agency supervisor at Jacksonville, has been manager at Charleston, W. Va.

### Opens Branch at Seattle

Canada Life has opened a branch office at Seattle, and has appointed

George C. Harrison district manager in charge of agency operations for the state of Washington.

Mr. Harrison has had broad experience in life insurance, personal production and agency management. A native of St. Louis, he has operated in Missouri, Oklahoma and more recently in Washington. Formerly with Atlas Life, he was for many years one of its leading producers.

### Skelley Heads New Lincoln National Okla. City Agency

Lincoln National has opened a new office at Oklahoma City with Keith Skelley as general agent. The Skelley agency will cover 45 counties in western Oklahoma.

Mr. Skelley is a marine corps veteran, a graduate of Oklahoma A. & M. College, where he majored in life insurance and began life insurance selling, and of the Purdue course. After graduation, he became a full-time agent at Boise City and in 1949 was promoted to assistant manager at Oklahoma City.

He specializes in programming, estate analysis and business insurance.

### Acacia Mutual Promotes Howarth, Hicks and Wolfson

Acacia Mutual has appointed Gerald A. Howarth manager at Memphis and Robert S. Hicks as manager at Durham, N. C. W. B. Wolfson of San Francisco has been promoted to unit manager there.

Mr. Howarth joined Acacia in Newark in 1947 and has been a unit manager. An air force veteran, he sold magazines and aluminum and just before going with Acacia was with Federal Telephone & Radio. He became associate manager at Newark in 1949.

Mr. Hicks went into insurance with Lincoln National at Charlotte, N. C., in 1946, went to Liberty Life as a home office supervisor in Greenville in 1948 and has been its manager at Durham since 1949. He replaces the late Julian C. Lentz. He is a war veteran.

Mr. Wolfson has been with the San Francisco branch since 1946. He is an army veteran.

### Joel in Santa Ana, Cal., Post



Eric Joel

Eric Joel has been named general agent at Santa Ana, Cal., for Franklin Life. Mr. Joel started in 1933 as a debit agent at Winnipeg for London Life. In 1938 he was promoted to sales superintendent and held that position until 1950, when he went to California. He is a C.L.U.

### Names Wieman at Dayton

Guarantee Mutual Life has appointed Ralph W. Wieman general agent of a new general agency at Dayton, O. Mr. Wieman has been in the business for several years.

### Hopkins Joins Federal Life

Sam B. Hopkins, who has had several years' experience as personal producer and agency manager, has been appointed south Texas agency supervisor for Federal Life at San Antonio.

### State Mutual Hires Hallinan

State Mutual Life has named Kenneth J. Hallinan as group representative at New York. Mr. Hallinan has been in the group department of Equitable Society since 1935, starting in New York City. From 1941 to 1943 he was with that company at St. Louis. After army service he was assigned to Baltimore.

### Hilbert Made Associate

E. J. Hilbert has been appointed associate manager of the the William S. Vogel agency of Columbian National Life at Newark. Mr. Hilbert formerly was with Phoenix Mutual Life there.

### Pope Assistant at Miami

Robert M. Pope has been named assistant manager at Miami of Mutual Life. He joined the agency two years ago after going to Miami from California. He has been a leading producer.

Colonial Life has appointed the Nelson & Ward Co. general insurance agency of Jersey City as general agents with James E. Barton as associate general agent. Mr. Barton, an attorney, entered life insurance in the home office of Home Life of New York in 1932. He then went into the field at Newark for that company.

National Bankers of Dallas has opened a branch at Jacksonville, Fla., with James E. Richey as manager. Mr. Richey has been with the company for six years at Memphis.

Berkshire Life has appointed Samuel F. Emma district manager of the Fox River Valley office at Geneva, Ill. He is a navy veteran.

### Baker D. of C. President

The District of Columbia C.L.U. chapter has elected as president W. Elwood Baker, New York Life; vice-president, Merrill G. Beede, Aetna; secretary, Clyde W. Fuller, Connecticut General.

Brooklyn Brokers Assn. held a special meeting recently to discuss problems in connection with Preferred Accident business.



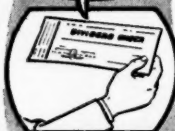
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Vice President

American Mutual life  
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DES MOINES, IOWA

Addition keeping w business, use are c of the "Health I commerc information Underwri Policies been add contracts panies an The book of inform nancial s and losses organizati surance.

Types of

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Use of this year is now c in the cer the comp the desc places in pany the

## ACCIDENT AND HEALTH

### 1951 Time Saver of A. & H. Information Is Off the Press

Additional information, revisions in keeping with the pace of the A. & H. business, and improvements for easier use are contained in the 1951 edition of the "Time Saver for Accident and Health Insurance," the handbook of commercial accident and sickness policy information, published by the National Underwriter Co.

Policies of several companies have been added to the book this year, and contracts of a total of 92 leading companies and organizations are described. The book contains more than 920 pages of information which also includes financial statement data and premiums and losses of almost all companies and organization writing A. & H. insurance.

#### Types of Policies Detailed

The policies described are commercial individually issued (not group) accident, A. & H., hospital expense, medical and surgical, polio, and other forms, and riders that apply. The contracts are described completely as to the coverages provided. Premiums for all ages, exclusions, reductions, waivers and any special provisions are stated. Some 1,700 policies and riders are described in the book.

Use of the book is further simplified this year in the indexing, all of which is now concentrated in one place, and in the centralizing of information about the company so that it is along with the descriptions of its policies. This places in the policy pages of each company the information about the com-

pany itself, which was formerly in a separate company list.

New pages of supplementary information have also been added. These contain descriptions of basic provisions such as are in typical group, franchise, blanket, athletic teams, and hospital and surgical plan contracts. These provisions are described for their reference value and are stated as found in one or more of the typical contracts.

The price of the 1951 "Time Saver" is \$5.50 a copy. The book is of handy small size, is printed on thin paper, and has red limp binding that will withstand considerable usage. It can be ordered from the National Underwriter Co., 420 East Fourth Street, Cincinnati 2, Ohio.

### Don't Overlook Policyholder While Busting Contest Quota

It is all very well to secure a bumper crop of applications to qualify for a prize or to have a picture put in some publication, but this should not be done at the expense of the insuring public, Fred W. Spencer, Ontario registrar of agents and brokers, told the Ontario Assn. of A. & H. Underwriters meeting at Toronto. Sad to relate, apparently many agents overlook the right of the policyholder to a clear explanation of the policy and an understanding of what it contains in their zeal and enthusiasm to make money and win contests, Mr. Spencer declared.

According to Mr. Spencer, at least 65% of all complaints received by the Ontario department come from the A. & H. field. If the complaint ratio on the A. & H. class continues, Superintendent Whitehead may have to take remedial measures, Mr. Spencer said. Either there will be some housecleaning by the insurance people or the govern-

ment will have to step in and do the job. It rests with the agents to inject the idea of service into their daily routine in addition to their sales enthusiasm, he declared.

### Creditors Life and A. & H. Insurers Form Group

An association of companies engaged in writing creditor's life and A. & H. insurance was formed at a meeting at Chicago that was sparked by James H. Jarrell, president of Old Republic Credit Life of Chicago.

The Consumer Credit Insurance Assn. is the title of the organization. It has been incorporated in Illinois, and will provide for the dissemination of information and for the exchange of ideas.

Mr. Jarrell said the association will promote high ethical standards.

Mr. Jarrell was elected chairman. President is Cecil Woods. He is president of Volunteer State Life and American Life Convention. Vice-president is Dwight W. Hollenbeck, president of Credit Life of Springfield, O.; secretary, T. Leslie Kizer, president of Central States Health & Accident of Omaha; treasurer, Harry O'Brien, Bankers Security Life of New York.

Headquarters of the association have been established at 1513 Bell building, Chicago.

### Mich. Blue Cross Quarrel

LANSING, MICH.—Refusal of Michigan Hospital Service (Blue Cross) to accept applications from members of the teamsters' union who already have hospital coverage supplied by their employers under terms of union contracts has stirred a controversy in Michigan.

James R. Hoffa, Detroit, who heads the Michigan union, complained to Commissioner Forbes alleging "discrimination."

James R. Foster of the hospital service answered a departmental inquiry by explaining that the hospital service pro-

vides complete protection and that the teamsters would need no other form of coverage.

Hoffa contended the Blue Cross attitude indicated an attempt to establish a monopoly and that the matter should have attention of both state and federal agencies to determine if legislation should be enacted to curb such practices.

### Krael San Diego Speaker

Arthur C. Krael, general agent of Pacific Mutual Life at Los Angeles, spoke at the first meeting of the San Diego A. & H. Underwriters Assn. on "Combining A. & H. Insurance with the Sale of Life Insurance."

Mr. Krael on short notice filled in for the scheduled speaker, Frank W. Bland, Pacific Coast manager of National Underwriter Co., who was injured in an automobile collision.

### Medical for Small Groups

Pacific Mutual Life's group department has introduced a new coverage kit of prepaid medical insurance for employers of 10 to 24 workers.

It offers liberal hospital, surgical and medical care indemnities, for employees and dependents, with provision for x-ray and laboratory examinations, ambulance service, polio care and additional accident expenses. The coverage is offered under two plans, identical in hazards covered but varying in indemnities.

### Swanson to Old American

R. H. Swanson on June 1 will become assistant actuary for Old American of Kansas City. He was a world war air force pilot. Mr. Swanson is a graduate in actuarial science at Drake University and has been with the Missouri department since 1949. With Old American he will do new policy research in the life, A. & H., and hospitalization fields.

## Johnstown Flood

May 31, 1889

2000 Persons Drowned

IF Accident & Health insurance had been as intensively written then as now, several Companies could have been impaired by that concentrated loss.

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is still a definite hazard. NOW there is SPECIAL REINSURANCE to cover it. We provide this — as one of the many services we have built in Accident & Health lines.

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## AGENCY MANAGEMENT

### Revision of Section 213 to Bring No Sharp Increases in Agent Commission Scales

Agent compensation is in sharper focus in home offices today than ever before as a result of the discussions of revision of section 213 of the New York code, John D. Brundage, director of agencies of Mutual Benefit Life, told Indianapolis General Agents & Managers Assn. He warned, however, that when the section is finally revised, no sharp increases in commission scales should be expected. "Compensation has to be considered from a competitive standpoint, too," he pointed out.

Increased compensation is not the whole answer to all the problems of the business, Mr. Brundage declared. "If it were, then those companies which already pay substantially above the New York scale would now be getting the best agents, most sales, and best persistency," he pointed out. "That is not generally the case."

#### Five Problems Faced Today

Mr. Brundage cited five other problems faced by the business and home offices today:

(1) The continued increase in the percentage of term written: Historically, he said, term is bad for the agent, the company, and the policyholder. "The freight is paid by the policyholder who stays," he contended, "and term owners tend to drop out."

(2) The number of lives written has dropped sharply: Average number of lives per agent in the U. S. is 16, Mr. Brundage reported. His own company wrote 20,000 fewer lives last year than it did in the late '20's.

(3) Income tax on companies is

rising: Under the present "stop-gap" legislation, according to the speaker, the tax has tripled since 1949 and will go even higher. "The small company, especially," he reported, "is taking a licking." He labeled the L.I.A.A.-A.L.C. proposal for a new tax basis as an equitable method.

(3) Costs of home office operation are rising constantly: "Longevity is increasing; the interest rate is not helpful; no CSO business is yet paying its own way and won't for several years."

#### Inflation Hitting Companies

(4) Inflation is hitting companies on costs: The industry favors the federal reserve's position of allowing the interest rate to seek its own level, and the recent "victory" of the reserve board's position over that of the Treasury is an important step in the right direction, he said.

(5) The problem of what to do with home office operations if bombed: Mr. Brundage reported that he is on a committee in his own home office trying to work out the answer to that problem for Mutual Benefit. "The task of finding somewhere to put 27 major departments is a staggering one," he commented.

Despite all the problems which face the business today, Mr. Brundage concluded, "we are still in the best selling market we have ever known." The public has money and there is little competition for it from hard goods. The business as a whole should go ahead fast in the next few years.

#### Hostettler Houston Chief

H. R. Hostettler, Reliance Life, has been elected president of General Agents & Managers Club of Houston, Tex. Vice-president is Noville Pierce,

Metropolitan Life, and secretary. Will Chatterton, Equitable Society.

The management of agencies today was the topic of the two speakers, Henry Zok, Mutual Life, and Charles Farrell, Home Life of New York.

### D. S. Kamp Slated to Head San Francisco Managers

David S. Kamp, general agent for New England Mutual Life, was nominated for president of San Francisco General Agents & Managers Assn. at its luncheon session, May 21. The election will be held at the "play day," June 28. Mr. Kamp will succeed C. S. Martin, National Life of Vermont.

Other nominations are: Don W. Munro, Union Central, for vice-president, and Hugh Davy, Home Life, for secretary; Harry N. Lyon, Fidelity Mutual, and Ralph Low, Connecticut General, for directors.

### New Montana Group Elects

The newly formed Montana Life Agency Managers Assn. has elected Clark Smith, Billings, as president; Henry Zahn, Missoula, as vice-president, and Kenneth Davidson, Great Falls, secretary-treasurer.

Life Agency Cashiers Assn. of Detroit and Windsor held a cocktail party and dinner Wednesday. Robert D. Beach of the Onderdonk agency of Lincoln National, was the speaker.

Prof Don Hayne of the University of Washington attended a luncheon of Seattle managers to find out what life insurance men want included in the curriculum of his school. A golf outing has been planned for June 8.

## SALES MEETS

### Provident Mutual Regionals Launched on Coast, June 4-7

"Defining Your Job" will be the theme of Provident Mutual's first 1951 regional meeting at Yosemite National Park, Cal., June 4-7.

Following the opening dinner, to be presided over by James H. Cowles, agency vice-president, there will be three consecutive morning sessions. The first of these will be devoted to business insurance, and be presided over by John T. Wilver, assistant manager of agencies. Speakers will include J. Oliver Broleen, Portland; Jack O'Neill, Los Angeles; Elwood T. Starbuck, general agent San Francisco; Harry W. Andrews, Tacoma, and Miss Alice E. Roché assistant director of education.

Frederick J. Kiefler, advertising and publications manager, will preside at the second session the theme of which will be "Keeping on the Track." The four speakers will be William T. Baldwin, Los Angeles; Clifford M. Beery, general agent Denver; Dudley Clark, general agent Portland; and Joe B. Long, manager of agencies.

Speakers at the closing session, to be presided over by Ralph W. Tipping, assistant manager of agencies, will be Harry A. Bear, Denver; Robert L. Nickerson, San Francisco, and Ray E. Heppenstall, Seattle. These speakers will discuss their plans for the year, after which Mr. Cowles will speak.

Other Provident Mutual regionals are scheduled for Hot Springs, Va., July 10-13; Lake George, N. Y., Sept. 4-7; and Chicago Sept. 12-15.

### Hold Guardian Life Southern Regional Leaders Club Rally

President James A. McLain of Guardian Life highlighted the southern regional Leaders Club meeting this week at Edgewater Park, Miss., with a keynote address which included a discussion of the company's objectives for 1951. The leading Guardian producers from 11 southern states and members of their families were in attendance.

Leaders Club members were welcomed at the opening session Monday by Frank F. Weidenborner, agency vice-president. President McLain then presented awards to the leading producers of the 1950 club year. James P. Poole, member of the Million Dollar Round Table and Guardian's leading producer in 1950, spoke on selling in today's market.

Warren M. Pace, assistant agency director, presided at the meeting Tuesday, which began with a discussion of Guardian's contracts by Actuary Irving Rosenthal. Mr. Rosenthal also acted as moderator for a panel discussion of the company's disability provision. Other members of the panel were Robert F. Kuhling, Jacksonville; Edward H. Mattingly, Atlanta; Robert P. Quarles, Richmond, and Mr. Pace.

The closing session Wednesday, with John C. Slattery, director of public relations as chairman, featured a business insurance panel discussion headed by

a BIG step in the right direction . . .

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is the foundation upon which we are now building

build your future with this progressive company

MISSOURI INSURANCE COMPANY

Home Office St. Louis, Missouri

All forms of Ordinary Life, Weekly Premium Life, Hospitalization, Health and Accident and Credit Life Insurance.

Established 1907

## WEST COAST OPPORTUNITIES

LOS ANGELES  
Population: 1,954,036

Increase of 30% in 10 years.  
The miracle city of America.  
... teeming with new people  
... opportunities ... several  
good openings with West  
Coast Life.

West Coast Life  
INSURANCE COMPANY

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Complete-  
personal insurance service!

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| <input checked="" type="checkbox"/> Life                               | <input checked="" type="checkbox"/> Group          |
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|  | <input checked="" type="checkbox"/> Reinsurance    |

Registered Life Protection

Republic National  
Life Insurance Company

Theo. P. Beasley, President

Home Office: Dallas

Life insurance in force exceeds \$310,000,000.00

Price H. counsel. Th W. Fane, S miningham; A. L. Ragl Mr. Weiden points mad sions.

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## NEWS OF LIFE ASSOCIATIONS

### Lenhart President of Ohio Association

Ohio Assn. of Life Underwriters at its annual meeting in Akron elected John N. Lenhart, manager of Great-West Life at Cleveland, president. Next year's meeting will be held at Columbus May 15-17. Mr. Lenhart is a past president of the Cleveland association and is now chairman of the A. & H. committee of N.A.L.U.

Vice-presidents elected are W. Henry Blohm, Provident Mutual, Cincinnati; William B. Hoyer, John Hancock, Columbus; Frank A. Lane, Metropolitan Life, Akron; Robert F. Horn, Ohio State Life, Mansfield, and George O. Walker, Franklin Life, Canton.

Robert K. Zimmer, Penn Mutual, Columbus, retiring president, was elected to fill the unexpired term of Paul M. Smith, New England Mutual, resigned, as national committeeman. Mr. Smith had held this position more than 10 years. Homer Trantham of Columbus was reelected secretary and counsel.

The Ohio Leaders Club and the C.L.U. held a joint breakfast on Saturday morning, which was addressed by Leroy G. Steinbeck, executive manager of American Society of C.L.U., Philadelphia, on "C.L.U.—a Light Under a Bushel." At a business meeting of the Leaders Club following the breakfast, at which Graham Hopkins, Lincoln National, Dayton, presided, George H. Plante, John Hancock, Cleveland, was elected chairman. King Baer, Reliance Life, Toledo; Nathan P. Paulus, State Mutual, Dayton, and Robert C. Bradley, New York Life, Columbus, were elected new members of the board. Mr. Hopkins continues on the board. John Geer, Lincoln National, presided at the breakfast.

John Fisher, a Canadian broadcaster, was the speaker at the banquet, at which Judd C. Benson, Union Central, Cincinnati, immediate past president of N.A.L.U., presided.

Other speakers were Claris Adams, president of Ohio State Life, who talked at the luncheon on "Our Institution;" John D. Moynahan, Metropolitan, Chicago, president of N.A.L.U.; Fred

Brand, Jr., Connecticut Mutual, Pittsburgh, and Eber Spence, vice-president American United Life, Indianapolis. Three films prepared by Dr. Robert Mehr of University of Illinois and Illinois Assn. of Life Underwriters, "What Life Insurance Means to You," "How Life Insurance Works," and "Planning Your Life Insurance," were shown.

Frank A. Lane, Metropolitan, president of the Akron association, was the convention chairman. Richard Haley, Ohio State Life, Akron, was the Akron association general chairman, assisting Mr. Lane, and presided at the luncheon when Mr. Adams spoke.

A training school for local association officers will be held at Columbus June 29.

### Use Rifle, Not Shotgun, Ray Wright Urges at St. Louis

Ray T. Wright, Provident Mutual, Lawrence, Kan., former N.A.L.U. trustee, in addressing Life Underwriters Assn. of St. Louis urged agents to polish up the idea they wish to present to a prospect so that it has the best sales potentialities. "Load your gun before you go hunting," he advised. "I like the rifle method of selling rather than the shotgun or blunderbuss plan."

Price H. Topping, associate general counsel. The panel included: Burnhardt W. Fane, Shreveport; Justin Fuller, Birmingham; Thomas J. Miles, Tampa; A. L. Ragle, Dallas, and Mr. Slattery. Mr. Weidenborner then summed up the points made during the panel discussions.

At the close of the session Monday, an initiation of first-time qualifiers into the Leaders Club was held. The evening was devoted to a president's reception and dinner dance. Tuesday afternoon was left free for recreation and informal discussion.

The fourth and last regional will be held at San Francisco in September.

### B.M.A. Eastern All-Stars to Meet at French Lick

Business Men's Assurance is holding an eastern all-star meeting at French Lick Spring, May 27-31. Leading salesmen from 23 of the 34 states in which the company operates, will be in attendance, totaling with wives and home office officials about 270. Attendance at this meeting and the western meeting to be held at Del Coronado in June is based on an 18-month qualifying period.

Among the salesmen who will appear on the program are H. G. Horn, Oregon; E. M. Peterson, Utah; J. M. Black, Tennessee; O. K. Johnson, Nebraska; Louis Haith, Missouri; W. H. Gruver, Indiana; M. E. Ladish, Illinois; A. L. Wolf, Arizona; Edward Biggs, Oregon, and K. L. Wilkinson, Indiana.

Eleven home office officials including W. T. Grant, chairman; J. H. Torrance, vice-chairman, and J. C. Higdon, president, will attend. John W. Saylor, vice-president in charge of sales, will be chairman of the meeting, and Jack R. Morris, director of public relations, is in charge of arrangements.

## POLICIES

### Gives Women Better Break

United Bankers Life of Dallas is offering policies for educational, business and professional women with rates based on the proven actuarial fact that women live longer than men. The coverage may be extended to all women. The difference in male and female mortality has been recognized by charging women more for annuity policies because they live longer, but heretofore there has been no differential in regular insurance rates for men and women.

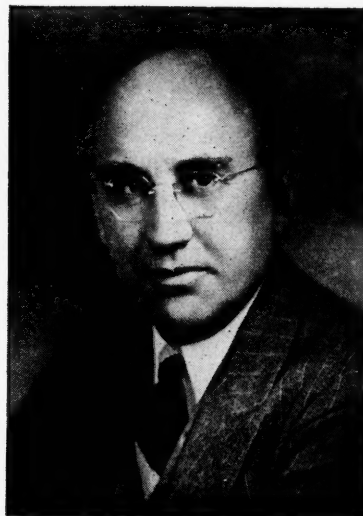
Central Life of Iowa will hereafter pay with every death benefit, a net portion of any period paid beyond the end of the policy month in which the death of the insured occurred. This is designed to cover cases where the policyholder has paid quarterly, semi-annual or annual premiums and dies before the payment period has elapsed.

Government Personnel Mutual Life of Texas after July 1 will issue all policies on the commissioners reserve valuation method basis.

### Mass. Mutual History Out

"A Century of Service," a 192-page history of Massachusetts Mutual Life, written by Richard Hooker, well-known journalist, has been published in conjunction with the company's 100th anniversary celebration this month. The volume parallels the story of the company's progress with historical events in Springfield as well as the country in general.

The book is illustrated with pencil drawings by Ray J. Holden, Connecticut artist, and photographs from the company's archives. Copies will be distributed to all company employees as well as city libraries and historical societies.



JOHN MARSHALL HOLCOMBE, JR.

His devotion to the progress of the life insurance business through increased knowledge and research, has advanced the cause of life insurance everywhere.



PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY

CHATTANOOGA

protecting provident people since 1887



## The Last Word

The prospect has the last word. Very often it is, "I'll take it," when Washington National representatives mention any one of three unusual coverages.

1. *Non-can. hospital* (guaranteed renewable to Age 65) is something that sells, because people like the idea. It's a natural.
2. *Non-can. monthly income* (accident and sickness) with no house confinement required, is responsible for large volume production.
3. *Single-premium vision impairment annuity* (monthly income for life when 90% of vision is lost) is a Washington National EXCLUSIVE which many persons buy who thought they had all the insurance they needed.

Washington National is a multiple-line personal protection company, writing life, accident, health, hospitalization, franchise and group. Complete details about our unusual coverages (as well as the standard line) will be given to qualified persons who are at liberty to inquire.

## WASHINGTON NATIONAL INSURANCE COMPANY

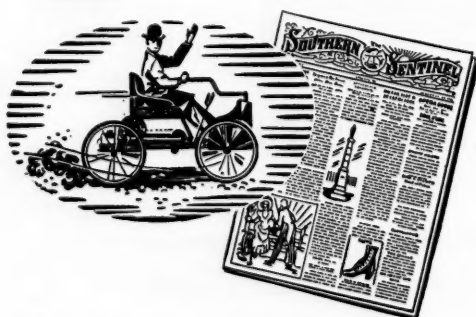
EVANSTON, ILLINOIS

H. R. KENDALL, Chairman

R. J. WETTERLUND, President

G. P. KENDALL, Secretary

## Made things hum in '91



Grandpa's sputtering "horse-less carriage" was a sensation back in 1891, the year LIFE of GEORGIA was founded. To commemorate our 60th Anniversary, we have published "The Southern Sentinel," a newspaper filled with 1891 nostalgia. Write us for a copy.



The rifle system is the one that produces real results."

He cautioned life salesmen to remember that the benefits they sell are deferred; likewise the benefits they as agents obtain through making a life insurance sales. "Yet it is amazing how fast the future becomes the present," he added.

He urges stressing the benefits of the policy for the policyholder rather than the beneficiary, saying: "Sell insurance to someone who intends to live rather for someone who is to die."

"You can't believe in life insurance if you don't carry sufficient life insurance on yourself," he warned. He contended that the direct question is the best selling method.

Touching on jumbo cases, he said that personally he doesn't go in for big cases, adding that he wrote his first \$100,000 case in 1930. In this connection he stressed the advantages of building the life insurance estate block by block, saying that "repeat sales are where the money is."

## Deston New President of San Francisco Association

Raymond Deston, general agent for John Hancock Mutual Life, was elected president of the San Francisco Life Underwriters Assn. at its annual meeting. He succeeds Jack W. Boyd, regional manager for Franklin Life.

William W. Bullwinkle, Guardian Life, was named vice-president, and Estelle Nagle, New York Life, secretary. New directors are George Dankwerth, Reliance Life; Paul Knopf, Metropolitan Life, and Jules Routhort, Penn Mutual Life.

The new officers will be installed at the association's June meeting, at which time national quality awards will be presented.



Raymond Deston

## Montana Votes in Satter

At the annual sales congress of Montana Assn. of Life Underwriters, Frank W. Satter, manager for New York Life at Butte, was elected president. Other officers are Henry Zahn, Northwestern National, Missoula, vice-president, and Fred Dugdale, secretary-treasurer.

Quarter Million Dollar Round Table officers are James Shea, Western Life, Butte, chairman; Joseph Persha, Equitable Society, Great Falls, vice-chairman and John Kosens, New York Life, Butte, secretary-treasurer.

## Arizona Assn. Studies Inflation

Arleigh Burton, Phoenix C.P.A., told the Arizona Assn. of Life Underwriters that inflation is a temporary trend and part of a cycle, so that the question is not whether deflation will return, but when it will return. He stressed the role played by life insurance in stabilizing the economy and this theme was further developed by Herschel M. Alton, general agent Kansas City Life, Phoenix, and Richard G. Bauerbach, Equitable Society, Phoenix, who outlined procedures for overcoming the inflation objections. Don A. Seeds, manager West Coast Life, was named chairman of a nominating committee.

South Bend, Ind.—"Underwriters have barely touched the field of selling protection to key men in business organizations so that death will not hinder operations of their firms," Richard Gamble, division supervisor of field training of Metropolitan Life, declared. Many insurance men, he said, are under the mistaken impression that such sales are too involved to be worth the effort.

Winston-Salem, N. C.—W. H. Cason has been elected president for the coming year, succeeding Charles Hooper. George

Richardson and Ike Fendler are vice-presidents; Nathan Booe, secretary.

Raleigh, N. C.—Reid S. Towler, New England Mutual, has been elected president; Tom Williamson, 1st vice-president; Curtis Poe, 2nd vice-president; George Passmore, secretary; Coyt Jones, national committeeman, and Arch Ames, state committeeman.

Lexington, Ky.—Election of officers and recognition of charter members will be held June 30. It will be a celebration of the 25th anniversary of the association.

Glasgow, Ky.—The Mammoth Cave association was organized here, and will make application for membership in N.A.L.U. Paul W. Holman, Jr., was elected president; Carlos High, vice-president; Jack Goodman, secretary; Ira W. Sham, national committeeman.

Oklahoma City—B. N. Woodson, executive vice-president of State Life of Indiana, will speak May 25 at 9:30 a.m. and will address the general agents at noon.

Kokomo, Ind.—New officers are Harry V. Foreman, president; Ray Harrison, vice-president; Herschel Marsh, secretary, and Ralph Mitchell, treasurer.

W. Oliver Cass, Mutual Benefit Life, Indianapolis, urged the purchase of permanent life insurance as against the trend toward term insurance, because "cheap dollars" are available now.

Marion, O.—C. L. Peterson, general counsel of Ohio State Life, spoke on "Pitfalls in Life Insurance Policies."

Columbus, O.—William A. Sullivan, manager of Metropolitan Life at Cincinnati, will speak May 25 on "My Words Go Up, My Thoughts Remain Below."

Charleston, S. C.—Wilfrid E. Jones, director of publications of N.A.L.U., spoke.

Davenport, Ia.—Henry Meese, general agent for Travelers, at a dinner meeting spoke on "How to Write \$1 Million a Year," stressing these points: Go out to help people, not sell them; have the right mental attitude; have positive thoughts; have a goal; develop proper habits; have will power and determination; have confidence.

Mansfield, O.—The Mansfield-Ashland association elected Robert Meese, president; Howard Rielly, 1st vice-president; Don Fleming, 2nd vice-president; William McIllyar, secretary-treasurer, Gilbert Templeton, national committeeman.

La Crosse, Wis.—Gertrude S. Valier, North American Life & Casualty, has been elected president of the Western Wisconsin assn. to succeed R. D. McDonald. Harold E. Krause is vice-president and Norman W. Scott, secretary. Personal experiences were related by Otto Munster, Joseph Quillin, Ralph Lance and M. B. Matteson.

Madison, Wis.—Don Ross of Successful Farming magazine discussed the farm portion of the national market for life insurance sales at a luncheon.

Stevens Point, Wis.—George J. Lalkin, tax attorney and counsel for the Wisconsin association, spoke at a dinner meeting of the Central Wisconsin association on "Life Insurance, Taxes and Your Estate." Agents from Stevens Point, Marshfield, Wisconsin Rapids and other communities in this area attended.

Chicago—The women's division will hear John D. Moynahan, president of the National association, and Harry H. Hicks, field vice-president of New York Life, at its annual meeting June 1. Officers proposed by the nominating committee are: President, Lesla Sabin, Federal Life; vice-president, Lynda Eggerding, New York Life; secretary, Evelyn Bower, Continental Assurance; treasurer, Rose Lewin, Metropolitan.

Scranton, Pa.—The inaugural dinner will be held June 28. Robert J. Hunter, trust officer of Third National Bank & Trust Co., spoke on estate planning.

Savannah—V. D. Adams, field training supervisor for Life of Virginia, spoke.

Elmira, N. Y.—Alec UpDeGraft, trust officer of Chemung Canal Trust Co., spoke on "Trust Service."

Staunton, Va.—H. Gayle Borune has been elected president of the Valley association, succeeding James Hunter, Harrisonburg. Robert L. Duke, Harrisburg, is vice-president, and William T. Heffler, secretary.

Fort Wayne, Ind.—Frank M. See, New England Mutual, St. Louis, spoke on "Life Insurance in Today's Economy."

Midwestern United Life of Ft. Wayne has been admitted to Michigan.

Colonial Life & Accident of Columbia, S. C., has joined H. & A. Underwriters Conference.

## Manhattan Gillroy

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## AMONG COMPANY MEN

### Manhattan Life Appoints Gillroy as Controller

Jerome Gillroy, assistant actuary of Church Life and Church Pension Fund, has been appointed controller of Manhattan Life. He is in general charge of accounting functions as chief accounting officer under the administrative authority of Edward Fitzsimmons, secretary.

Before joining Church Pension Fund, he was with Equitable Life of Washington, D. C., as assistant actuary from 1941 to 1950, except for army service. He was chief accounting officer and later had general supervision of the actuarial department.

He was for several years with the consulting actuarial firm of Woodward, Ryan, Sharp & Davis, New York.

### Acacia Advances Four

Acacia Mutual has appointed Arthur B. Ambler, Jr., and William Simpson associate actuaries. Emil A. Loehl and James E. Weikel have been appointed assistant secretaries.

Mr. Ambler joined Acacia as assistant actuary in 1934 after considerable experience with other life companies. Mr. Simpson has been assistant actuary since 1946, after joining the company in 1942.

Mr. Loehl has been supervisor in the personnel department and will continue in that activity. Mr. Weikel has been with the company since 1925 and is supervisor of the underwriting department and secretary of the underwriting committee.

### Parker Joins New York Life

Gerald S. Parker has joined New York Life as an administrative assistant on the staff of James T. Phillips, vice-president, it has been announced. He will assist Mr. Phillips in matters relating to the A. & H. business.

For five years Mr. Parker has been with Preferred Accident as secretary of the A. & H. department.

### Leaves Conn. Mutual Post

Dr. Ralph C. Secor, assistant medical director of Connecticut Mutual Life, is returning to private practice and will establish an office at Collinsville, Conn., after June 1. He joined Connecticut Mutual's medical department in 1945.

### New Division Is Set Up

New York Life has created a new underwriting research division under the general direction of James T. Phillips, vice-president. Charles M. Sternhell has been appointed executive assistant and is in charge of the division. He is assisted by Cyril R. Fisher, who has been named administrative assistant.

Mr. Sternhell, who is a fellow of Society of Actuaries, had previously been in the research division of the actuarial department of Metropolitan Life. Mr. Fisher has been working with the committee on insurance practices of New York Life, and before that was a member of its actuarial department.

### Maryland Life Raises Garver to President; Others Rise

Maryland Life of Baltimore has advanced William S. Blackford, president, to chairman, Donald H. Garver, 1st vice-president and secretary, to president; Clarence E. White, 2nd vice-president and treasurer, to 1st vice-president and treasurer; Halliday B. Houck, assistant secretary, to secretary, and J. Brookes Smith, Jr., to assistant actuary.

Charles C. Clabaugh, general supervisor of agencies, is to retire on June 1 after 50 years with the company. He had started in the actuarial department following graduation from C.C.N.Y., and continued in this department until 1910, when he was appointed agency supervisor.

### Crosbie Replaces Gregor

Confederation Life has named L. M. Crosbie registrar of group sales succeeding J. S. Gregor, who has resigned and plans to move to the United States.

Mr. Crosbie has been with the company since 1935 and moves up from the position of supervisor of conservation. Mr. Gregor joined Confederation in 1927, served as branch secretary at Shanghai and London, Ont., and then went to the head office as supervisor of conservation.

### Sullivan to N. Y. Life

Daniel L. Sullivan, Jr., has resigned as assistant attorney general of the state of Washington and as attorney for the insurance commissioner and the state employees' retirement system to go with the group department of New York Life at the home office. He will be associated with Wendell Millman, vice-president of New York Life and former consulting actuary for the Washington department. Before going to Washington, Mr. Sullivan was an attorney with the firm of Beekman & Bogue at New York City.

### Old Line Names O'Connor

Dr. Robert D. O'Connor has been elected assistant medical director of Old Line Life, Milwaukee. A graduate of Marquette University medical school in 1940, he was a medical officer in the coast guard and later clinical instructor in internal medicine at Marquette.

Canada Life has appointed G. Gerald Daly underwriting executive. Mr. Daly has been with the company for 30 years.

W. Ernest DeCoursey, Covington; W. H. Cox, Paintsville, and W. O. Harber, Richmond, have been named directors of Blue Grass Life.

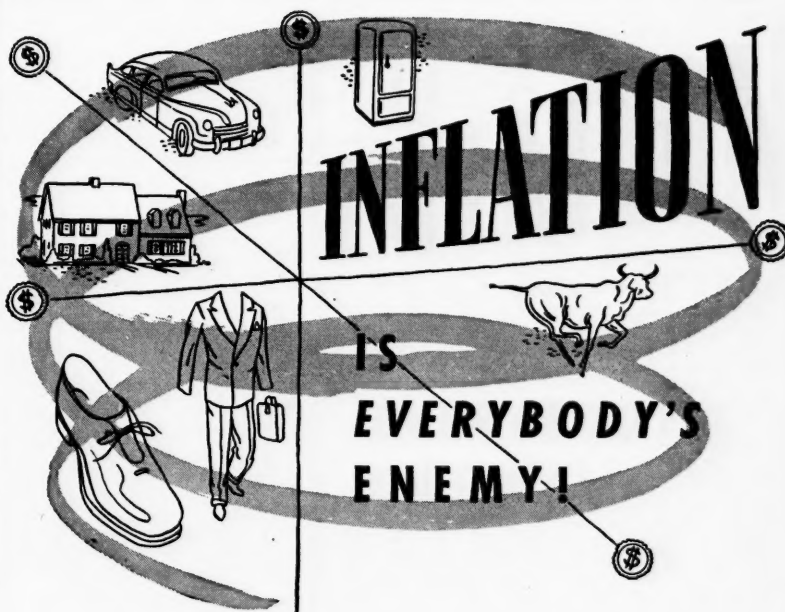
### Lawyers Plan Program

At the insurance section of the American Bar Assn. in New York September 17-19, the committee on life insurance under Tom Leeming, Chicago, will hear a paper on the lawyer and business life insurance by Daniel I. Reidy of Guardian Life, and there will be breakfast sessions of the committees on H. & A. and life insurance.

Commissioner Leslie of Pennsylvania will discuss the case for state supervision and there will be talks on the New York disability benefits law and war hazards of non-occupational disability.

The Connecticut general assembly has passed the new A. & H. standard provisions bill.

The Ralph H. Love agency of Connecticut Mutual Life at Hartford, with nine agency members qualifying, led all company agencies in the number of qualifiers for the President's Club.



The most urgent time to save . . . to set aside more income for the future is during an inflationary period. First, you are putting cheap dollars away for the day when they will be worth more . . . second, you are helping forestall an abnormal demand for scarce goods which further increases prices.

Every Life Underwriter is fighting the battle against inflation. Dollars put into life insurance today are dollars withdrawn from the bidding for scarce merchandise . . . dollars that will be held for a future when they will be much needed.

The fight against inflation is the fight to keep America strong . . . to protect the purchasing power of the premium dollars being stored up by 83 million owners of life insurance in this country today.



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# Sales Ideas and Suggestions

## ROOT HEADS STATE ASSOCIATION

### Aids for Agents Offered at N. J. Sales Congress

By DONALD J. REAP

Joseph W. Fox, general agent Berkshire Life, Jersey City, was succeeded as president of the New Jersey Assn. of Life Underwriters by S. Preston Root, manager Metropolitan Life, Morristown, at the annual meeting which preceded the association's sales congress at Asbury Park.

The association presented Mr. Fox a desk set for his services. One of the outstanding events of his administration was the decision to maintain a full time, salaried executive secretary who will be in office by July 1.

The rest of the slate of officers includes Justin Warbasse, Equitable Society, Plainfield, vice-president; Carl R. Keener, Metropolitan Life, Asbury Park, secretary; Edmund P. Steel, Equitable Society, Trenton, treasurer, and Salvatore Scudato, Metropolitan Life, Irvington, national committeeman.

Mr. Root entered the business with Metropolitan at Washington, D. C., in 1931 as an agent. He became assistant manager there two years later. In 1935 he moved to the home office where he spent eight years in various positions in the field training division. Since 1947 he has been manager at Morristown.

F. Leroy Garbrant, New York Life, trustee of N.A.L.U., welcomed 550 to

the sales congress.

By explaining at the time of delivery as well as when a policy is sold the many benefits it contains appreciation for it can be developed and thus may lead even to additional sales, said Harry



S. Preston Root



Joseph Fox

Copeland, general agent, Massachusetts Mutual, Syracuse. If people realized what an asset insurance is, they wouldn't say they are "life insurance poor." No one says he is "savings account poor," or "government bond poor."

He suggested taking 15 minutes at the time of delivery to make the insured proud of what he has bought. After pointing out to him the net cost ask him: "How much is your annual pre-

mium for automobile insurance?" Depending on the comparison with the life premium ask him if he doesn't think he's worth two or three times as much as his automobile.

Don't be afraid to ask him to buy more, he advised. Agents usually underestimate the applicant's income by 25% from what inspection company reports indicate it is.

#### Inflation Objection Response

To answer the inflation objection ask the prospect if this means that he would like to put the money into common stock instead. Concededly great profits can be made if stock is bought when it's selling very low and increases later. He uses as an example any outstanding share and the price it was selling at in 1932. Then he points out its climb since that time. But, he tells the prospect, the reason the stock was selling at so low a price was that no one had the money to buy it in 1932. The smart guys, he said, had put their money into guaranteed life insurance dollars earlier. They were able to make a profit.

When the time came along and deflation had really arrived they used their cash values. Obviously, he points out, now isn't the time for buying common stock.

The morning session concluded with an inspirational talk by George A. Saas, sales consultant of Indianapolis. His message was to do a little more for people than the average fellow will do and they will come back for more.

#### Likes Tax Approach

Everyone is concerned about high taxes, said Ernest D. Haseltine, Northwestern Mutual, Boston, and this opens them up to tax approaches. The more income a man has the less return he makes on his investments, he pointed out. A married man earning \$5,000 a year may net, after taxes, about 5% on a share of A.T.&T. stock, but a married man making \$30,000 a year will net less than 2½% after state and federal taxes.

Where excess profits tax rates apply, executives are eager to explore pension possibilities. Higher income taxes make it almost impossible to finance a survivor purchase agreement out of the survivor's income, he said. He discussed a case involving two partners in a leather firm, one of whom died recently. Based on today's tax rates, the surviving partner will need more than \$200,000 gross income to pay the \$100,000 he owes his partner's widow.

If a man has a \$200,000 estate and if his wife dies before he does, her funeral can cost that family \$28,000, through the loss of the marital deduction. If the widower's income is \$20,000 a year, in addition to that \$28,000 he is going to pay \$4,000 a year as an additional cost as long as he remains unmarried because he loses the marital split on his income taxes. Doesn't it make sense that the wife's life should be insured against that cost?

#### \$7,000 a Year Tax Free

He suggested developing approaches which explain the effect of taxes on the prospect's assets in simple language. One of these approaches was: "Mr. Jones, do you know that if you and Mrs. Jones had reached age 65 a year ago today, you could have received \$7,000 in income last year, without having to pay a penny in income taxes?" This means, in more colorful and interesting phrases, that social security income is tax free, that personal exemptions double at age 65, and the application of the 3% rule.

Tell wealthier prospects: "Mr. Cadillac, if you had a choice, would you like to have your estate taxes paid out of what your executor is able to raise by selling the business, or would you like them to be paid by an insurance com-

pany so it can be left intact for your sons?"

With a partner or a stockholder in a close corporation ask: "Do you know that there is a 40 to 50% luxury tax for allowing yourself the luxury of using an old-fashioned way of buying out your associate's widow?"

Robert Gilmore, Jr., Mutual Benefit Life, Bridgeport, trustee of N.A.L.U., spoke on the benefits of N.A.L.U. membership.

#### Greater Need for Service

Constant pressure for additional government benefits from government agencies or on an "over the counter" basis calls for greater efforts than ever before to give clients the service only an agent can provide, said William P. Lynch, 2nd vice-president, Prudential. This involves the constant application of greater knowledge in the agent's daily work, he suggested. Good service today demands of the agent a custom made and persuasive sales presentation, and regular contact with policyholders so that their insurance continues to fit their changing needs.

He suggested that agents ask themselves these questions: "Do we always use the 'older policies' National Service life insurance in such a way that they will mean more dollars to the beneficiaries? Do we check to see whether veterans benefits are in the picture? When we set up a program, do we allow enough flexibility, through the use of the withdrawal privilege, so that the beneficiary will not be hogged if economic conditions change before the insured's death? When we urge the insured to name his children as contingent beneficiaries so that the claim proceeds may not revert to his estate, do we make sure that they are not included on the policy that is intended for last expenses so the claim settlement will not be delayed? When we recommend use of the automatic

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Life Insurance Edition

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**INSURANCE COMPANY, INC.**

ROANOKE 10 VIRGINIA ★ PAUL C. BUFORD, PRESIDENT

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premium loan provision, are we careful to recommend it only to the man who travels a great deal and needs it? (Indiscriminate use of this provision leads to excessive borrowing and ultimate loss). When we use the common disaster clause, do we leave it off the 'clean up fund' policy? (If we don't, no payment can be made to the beneficiary until 15 to 30 days after the insured's death)."

Economic events of the last four months are bearing out the predictions made earlier in the year that there never has been a more favorable time for the sale of life insurance than in 1951, he stated.

### Pacific National to Hold Its Convention June 17-19

Pacific National Life will hold its agency convention June 17-19 at Salt Lake City, with about 50 delegates and their families from 11 western states and Hawaii in attendance. It will be the first at the company's new home office.

Ray H. Peterson, president, will give the welcoming address. The Utah Day luncheon will be the first day, with Utah general agents in charge. There will be a golf tournament that afternoon.

L. W. Messinger, vice-president and actuary, will outline a new policy contract. Kenneth W. Cring, vice-president and superintendent of agencies, will give some sales slants and Dr. James Z. Davis, medical director, will speak on medical department procedure. William I. Spere, executive assistant, will conduct discussions on agents instructions.

#### Field Men on Program

Other speakers are Wayne E. Hibbard, Portland, Ore., on "Persistence," C. Gale Baker, Boise, Ida., "Estate Preservation," A. W. Satterstrom, Phoenix, "How We Prospect," Walter T. Takiguchi, Honolulu, "Agents Time Control," Lamar Holley, Springville, Utah, "Preparing a Brief," Clifton I. Johnson, Sale, and Doyle F. Child, Afton, Wyo., "Mental Attitude of the Life Insurance Salesman."

### Old Home Office Is Sold

Interstate Reserve Life of Chicago has sold its old home office at 10 East Pearson street, which it occupied for 30 years, to the Salvation Army. The company moved last fall to new quarters at 7460 North Sheridan Road.

Northern Life has appointed G. W. L. MacKenzie British Columbia manager.

Seattle Women Life Underwriters acted as hostesses at a women's financial forum sponsored by the University of Washington.

## Wetzell Assigns One Man to Learn for the Whole Agency

Wilbur B. Wetzell, general agent for Northwestern National at Sterling, Ill., has devised a successful way to keep his men studying new sales techniques and markets. For each week's agency meeting, Mr. Wetzell assigns one particular man to lead a discussion on a specific subject and to explain this subject to the other members of the agency. In order to make a clear presentation to his fellow agents, the discussion leader has got to do considerable research. For example, one week Mr. Wetzell may assign L. M. McCormick to do some research on business insurance selling and to report his findings at the agency meeting. The chances are very good that not only will Mr. McCormick learn a great deal about business insurance, but he will be stimulated to put this knowledge into practice. The chances are good that his report will catch the fancy of some of the other members of the agency. Thus through intensive study by one man, the whole agency can be vested with new knowledge and new motivation.

### Convention Dates

May 29-31, Canadian Life Insurance Officers Assn., annual, including life agency officers section, insurance advertising section, Royal Alexandra hotel, Winnipeg.

June 2-6, National Assn. of Insurance Commissioners, New Ocean House, Swampscott, Mass.

June 11-13, International Assn. of A. & H. Underwriters, Dallas.

June 14-16, Life Insurers Conference, Greenbrier hotel, White Sulphur Springs, W. Va.

June 15-16, Texas Assn. of Life Underwriters, Galvez hotel, Galveston.

June 18-20, L.I.A.M.A. combination companies spring conference, Greenbrier hotel, White Sulphur Springs, W. Va.

June 18-29, Life Officers Investment Seminar sponsored by the Financial Section of American Life Convention, Beloit College, Beloit, Wis.

June 21-22, annual meeting, Kentucky Life Underwriters Assn., Brown hotel, Louisville.

June 25-27, American Life Convention, Medical Section, Broadmoor hotel, Colorado Springs.

June 28-30, National Assn. of Insurance Counsel, White Sulphur Springs, W. Va.

Sept. 10-12, International Claim Assn. annual meeting, Monmouth hotel, Spring Lake, N. J.

Sept. 17-21, National Assn. of Life Underwriters, annual meeting, Biltmore hotel, Los Angeles.

Sept. 24-26, Life Office Management Assn., annual conference, Edgewater Beach hotel, Chicago.

Sept. 24-27, National Fraternal Congress, annual, Morrison hotel, Chicago.

## New England Mutual Trains 100 Advanced Midwesterners

Nearly 100 agents of New England Mutual from 12 agencies in the Chicago area will attend an advanced underwriting conference at the Edgewater Beach Hotel on June 1-2.

William C. Gentry, assistant director of agencies; Robert J. Lawthers, director of benefits and estate planning; Doris Montgomery, attorney and manager of the pension business department, and Merton E. Sayles, field supervisor, will conduct the meeting. This will be the fifth in a series of regional conferences in the application of life insurance to business problems.

### Tax Exemption Rejected

WASHINGTON—The House ways and means committee rejected a proposal to exempt from tax the first \$1,440 of all pensions, annuities and retirement pay of all retired public and private employees.

Harrison L. Amber, president of Berkshire Life, has been elected president of the Pittsfield Community Chest.

Sterling of Chicago has been licensed to write life and A. & H. in Maryland. It is licensed now in 23 states.



All I Did  
Was Write  
a Letter!

...and now  
my future security is assured!

I was rendering a creditable underwriting service and helping to build security for my clients. One day I read about the special benefits Protective gives to its General Agents. I wrote a letter. Now I'm a General Agent and am assured of an equally secure future of my own.

### PROTECTIVE LIFE is a real career

**Our Compensation Plan**—Includes liberal first-year and renewal commissions, vested renewals, lifetime service commissions, non-contributory retirement plan, hospitalization and surgical benefits, and a SPECIAL CASH BONUS FOR PERSISTENCY.

**Our Training Plan**—Includes con-

tinuous office and field training in successful sales methods, consisting of a 5-point learn-as-you-earn program.

**A complete line of Policy Contracts.**

**Personal Relationship**—Agency operations are exceptionally flexible so that we can do things the way you want them done.

GENERAL AGENCY OPENINGS IN KENTUCKY, TENNESSEE,  
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**PROTECTIVE LIFE**  
INSURANCE COMPANY

William J. Rushon, President

BIRMINGHAM

ALABAMA

Serving the South since 1907. Insurance in force over \$400 million.



John N. Lenhart, Great-West Life, Cleveland, chairman A. & H. committee of National Assn. of Life Underwriters, and newly elected president of the Ohio association; D. Stuart Walker, Mutual Benefit H. & A., Philadelphia, chairman Disability Insurance Coordinating Committee; E. L. G. Zalinski, N.A.L.U., and J. W. Scherr, Inter-Ocean, at H. & A. Underwriters Conference annual meeting.

## LEGAL RESERVE FRATERALS

### Fraternal Actuaries Assn. Holds Spring Meeting at Denver

DENVER—Fraternal Actuarial Assn. held its spring meeting here the day before the western meeting of Society of Actuaries. Lyle H. Barnhart, Fidelity Life Assn. of Fulton, Ill., president of the fraternal actuaries, conducted the meeting.

Walter W. Steffen, assistant secretary of Lincoln National, presented a paper detailing a method of determining the value of an agency's business to the home office. The method developed indices of value to measure the initial investment, the total value of the business when considered over a 10-year period, and the effect of varying the lapse rate, field acquisition expense, and average size policy. These factors make it possible to compare the value of the production of different agencies and to single out agencies that deviate far from the average business produced by the company as a whole.

#### Discusses Mortality Decline

Frank G. Dickinson of Chicago, director of American Medical Assn.'s bureau of medical economic research, gave a paper on the significance of a half-century's decline in population mortality. His paper was interesting from a philosophical as well as a statistical point of view. For example, he said the less present fear of death because of improved mortality has lessened the fear of God and has been a blow to religion. He warned that pressure for social security liberalization is largely the result of the aged in the population trying to exploit the younger members, who will have to make the heavier contributions.

Arthur W. England, consulting actuary, presented a paper on the proposed California fraternal code.

The informal discussion brought out that term plans offered by the fraternal societies have been increasing in number, and term business has been on the rise, largely the result of public demand. As to handling of term riders in the annual statement, the general practice is not to include such business as part of the in-force total. Bases for granting production credit on term insurance vary considerably from one fraternal to another.

#### Indiana Again Blocks I.W.O.

The Indiana insurance department has

rejected for a second time a request by International Workers Order to be permitted to renew its license in Indiana, which was revoked on April 1. Paul A. Pfister, deputy commissioner, commented that I.W.O. has 3,000 policies in effect in Indiana, but that most of its customers are unaware of the nature of the organization, which has been labeled "Communist front" by the U. S. attorney general.

#### Dreyer Named Treasurer

Standard Life of Kansas has named C. E. Dreyer treasurer to succeed the late Martin Miller. Mr. Dreyer is a director. E. S. Parnell has been elected a director.

The Ohio house insurance committee has recommended for passage a bill regulating fraternal.

#### To Address Newark CLUs

George Johnson, Prudential's director of public information, will speak at the May 29 luncheon of the Newark C.L.U. on "Public Relations and the Agent."

#### Pasco Misidentified

John Pasco, Jr., who was recently elected vice-president of the Virginia Life Underwriters Assn., is with Equitable Society at Petersburg. An item in the May 11 issue gave his company as Home Beneficial.

#### N. W. Mutual Organ Gets Award

For the best presentation and explanation of Blue Cross and Blue Shield in industrial publications of 78 Wisconsin companies whose employees are covered, a plaque has been awarded to the Pillar, Northwestern Mutual's home office magazine, and citations to Donald Krueger, its editor. Dean J. L. O'Sullivan of the Marquette University college of journalism judged the publications.

United States Life was host at an informal reception at Chicago to mark the opening of the regional offices of the company with Donald V. Springgate in charge. In attendance from the home office were Richard Rhodebeck, president; Fred O. Becher, Jr., assistant vice-president group division, and William P. White, director of group sales and service.

Charles A. Legget, assistant treasurer of John Hancock, located at Chicago and handling direct loans in the mid-west area, has resigned to become vice-president and treasurer of Acme-Evans, Indianapolis flour-milling company.

Alexander F. Gillis, general agent of Provident Mutual Life at Newark, has appointed his son, Philip H. Gillis, agency supervisor. Philip Gillis has been nominated for president of Life Underwriters Assn. of New Jersey.

## RECORDS

New business issued and paid for in Bankers Life of Iowa the first four months totaled \$68,316,759—\$8.7 million more than for the same period last year. Ordinary insurance accounted for \$41.7 million and group for \$26.5 million. Sales for April alone totaled \$25,546,507, half ordinary and half group. Insurance in force at the end of April reached a new high of \$1.6 billion—an increase of more than \$43 million for the year to date. This included \$1,273,258,768 ordinary and \$329,790,603 group.

Guarantee Mutual Life's new paid business in April showed an increase over last year for the fourth consecutive month. Gain for the first four months over 1950 totals 8.3%. Insurance in force at May 1 was \$286,944,658.

Old Line Life's insurance in force at the end of the first quarter was \$140,506,555, a gain of \$1,516,072. New life insurance paid for in the quarter was \$3,328,795, and A. & H. premiums totaled \$250,038.

### Must Retain Right to Develop Forms

(CONTINUED FROM PAGE 2)

fight when the department can well cause us additional trouble in the future in the same or other areas?"

He continued, "Particularly in the group field, companies have had trouble when they have sought to provide additional benefits to those insured and the disapproval can only be based on fear resulting from lack of precedent. Thus, some departments have placed insurers in the position of being unable to write a coverage which is desired by the buyer which they are willing to offer for a price and which does not contravene any statute or rule.

"There is no one answer to these practical day-to-day problems. With a pragmatic approach, we live with this regulation which is sometimes close to department legislation, doing the best we can under all of the circumstances.

#### Approach to Problem Important

"Yet our approach to legislative and regulatory problems, whether they be important or relatively minor, as are most policy form questions, deserve serious consideration, not only in the light of the immediate effect on our business, but also with a view of the whole picture which includes changes occurring as a result of the interstate character of our business," he declared.

Mr. Brooke indicated that the life insurance business is in a new and unique situation in which federalism has prevailed and Congressional action has an all-important impact on the business. In recognition of this, the A.L.C. and L.I.A. have established a Washington office, the importance of which cannot be overemphasized, according to the speaker. He acknowledged that without doubt the regulation and control of the business by the states is in a strong position, but it is a position unique to the pattern of governmental regulation generally.

The speaker indicated that insurers have little opportunity to bargain with the buying public, because their prices are fixed by the laws of probability, expenses and earnings. He said, "Our bargaining on the terms of the policy is done with the legislatures and with duly constituted regulatory officials. This lack of bargaining power on our part as to contract terms has led some courts to announce sensible rules of construction, since it is recognized that it cannot be said the policy is drafted solely by the issuing company."

#### U. S. Life Hospital Form

A new hospital or nurse indemnity policy for individuals and family groups has been introduced by United States Life. Known as the "quality" hospital policy, it provides daily hospital benefits up to \$12.50 a day for as long as 100 days for men and women, and up to \$10 a day for children, \$5 a day nurse service at home. Expenses for emergency hospital treatment, and maternity at home or in hospital are also provided. Optional benefits include operation visits in hospital up to 30 days.

#### TerBush Host at Party

Dave TerBush, president of TerBush & Powell of New York and Schenectady, was host at a party for the employees of the New York City office. Guests of honor included Superintendent Bohlinger of New York; Harry Anderson, superintendent of agencies of Travelers, Richard Rhodebeck, president of U. S. Life; C. A. Carlisle, Jr., group manager of TerBush & Powell, and William Wagner, secretary-treasurer of T. B. & P.

The New York office has qualified the group A. & H. plan for the New York County Lawyers Assn. which is the largest bar association group in the country.

### Mass. Mutual Looks Back on 100 Years

(CONTINUED FROM PAGE 2)

anecdotes and observations about each of the first 10 decades of the company's existence. He recalled that prominent Massachusetts Mutual men in the National Assn. of Life Underwriters included George N. Carpenter, then general agent at Boston, who became the first president of N.A.L.U. in 1890. Others similarly honored were James L. Johnson of Springfield, 1899; Frank E. McMullen of Los Angeles, 1906; L. Brackett Bishop of Chicago, 1911, and George E. Lackey, Detroit, 1940.

#### 15 Attended First Convention

Mr. Fischer said the Massachusetts Mutual held its first agents' convention in 1891, with 15 present. In its first decade Mr. Fischer said the company had 2,417 policies for \$5,106,000 in force and the leading producer, James Carpenter of New York City, had written 176 policies for \$402,300.

Three of the six living members of the field organization with 50 years or more of service were present and suitably honored. They are Milton Allis, Springfield, Mass.; Nathaniel Hartwell, Boston; Reuben U. Darby, Baltimore, and Frank H. Lewis, Newark.

Besides Mr. Kalmbach and Mr. Fischer, the opening session speakers included T. M. Green, Oklahoma City, president of the agents' association, and Clarence W. Reuling, Peoria, Ill., president of the general agents' association, who opened the program Monday with greetings to the group. Vice-president Charles H. Schaaff was a speaker, as was Henry I. Davis of Atlanta who led a panel of million dollar producers.

#### Moynahan, Todd to Speak at Chicago C.L.U. Annual

John D. Moynahan, president of National Assn. of Life Underwriters, and John O. Todd, Northwestern Mutual, chairman of the Million Dollar Round Table, will be speakers at the annual meeting June 5 of the Chicago C.L.U. chapter.

The following slate of officers will be proposed for election: Lorraine Sinton, Mutual Benefit, president; Robert F. Ober, Berkshire, vice-president; Robert K. Schott, Phoenix Mutual, treasurer, and Herrold Schmitt, New England Mutual, secretary.

Connecticut General has leased the new building at 27 Beekman street in New York City. The claim department will move there June 1. This is another northward extension of the downtown insurance district.

Metropolitan, Mutual Benefit Life, Mutual Life and Pacific Mutual Life are participating in the purchase from Armour & Co. of \$12 million in new first mortgage 3% sinking fund bonds, due July 1, 1971, at 98.125 and accrued interest.

W. H. Tillotson, Columbia, S. C., and C. W. Webb, Shelby, N. C., have been named agency supervisors in their respective agencies for Pilot Life.

Robert E. Dineen, vice-president of Northwestern Mutual Life, spoke at a meeting of Cincinnati Sales Executives Council.

## ROYAL LEAGUE

309 W. Jackson Blvd.,

Chicago 6, Illinois

LEGAL RESERVE LIFE INSURANCE WITH ATTRACTIVE SOCIAL AND BENEVOLENT BENEFITS.

**Fidelity  
Scores  
High  
Where It  
Counts  
Most**



Our leading producers have again reminded us that Fidelity Life scores high in:

- ✓ Training Program
- ✓ Field Supervisory Assistance
- ✓ Sales Aids
- ✓ Home Office Cooperation
- ✓ Claim Service
- ✓ Incentive Plans

**FIDELITY LIFE  
ASSOCIATION**

Home Office - Fulton, Illinois

# War Risk Is Big Topic at Western Actuarial Meeting

(CONTINUED FROM PAGE 1)

anti-selection, and that a clause becomes necessary for reasons of equity among different classes of policyholders long before it becomes necessary for reasons of safety.

He said some sort of automatically self-canceling war clause is advisable if the business is ever to get general public acceptance of war clauses. Recalling an earlier suggestion for a clause that would gradually reduce the amount subject to the restriction, he suggested this be called the "old soldier" clause because it just fades away.

H. G. Paff, Prudential western home office, said the Korean losses have shown the risk is greater than the rates are made for and involve a subsidy on the part of other policyholders, who might be critical of this subsidy. He favored use of war clauses rather than restrictive underwriting.

Ross E. Moyer, John Hancock, said that today's conditions are definitely more conducive to anti-selection than before Pearl Harbor. No amount of regulations can fully control anti-selection, he said, but regulations can cut it down a great deal.

W. E. Levins, Lincoln National read a discussion by F. G. Whitbread, Reliance Life, who said that use of a war clause should not depend solely on anti-selection.

He pointed out that other types of business do not assume the extra hazards due to war and there is no reason why life companies should subsidize what is an obligation of the people as a whole.

F. P. Chapman, Metropolitan Life, said the company had experienced no serious anti-selection, which he attributed to the cooperation of the field force and the company's rule that insurance would be limited to about five times annual income. Metropolitan has found it necessary to modify the amount applied for in only about two-tenths of 1% of applications because of war hazard.

## May Be Normal Hazard

P. K. Frazer, whose discussion was presented in his absence by V. E. Henningsen, Northwestern Mutual, stressed the value of being able to sell protection that always pays off, regardless of cause of death. He said that if every young man is going to have to serve a tour of duty in the armed forces the companies should take this as a normal hazard of life.

Edward Ruse, Confederation Life, noted the two schools of thought, one being those that restrict policies only when war looms, and this school has set the pace in the U. S. and Canada. The other school argues that the war hazard is uninsurable and that duty to existing policyholders demands exclusion of war risks, and hence permanent war clauses are justified. One advantage of the latter course is that it would better protect the present policyholders and beneficiaries, that if they had the choice to make they would prefer a company with a permanent war clause.

Harwood Rosser, Occidental of California, said a permanent war clause would undoubtedly result in ill will among policyholders, if the experience with such restrictions in disability and accidental death benefits is any indication.

G. G. Myer, Confederation Life, deplored the tendency to postpone thinking about the war hazard to life insurance operations. He pointed out the possible futility of elaborate duplicate records if a company's assets are wiped out or if regular personnel and vital equipment are destroyed. He also raised the question as to when a security program should be started. In the light of international conditions, his own company is considering microfilming certain investment records with current changes.

F. E. Rathgeber, western home office of Prudential, said a company is under

definite obligation to spend a reasonable amount to assure "business as usual" following complete destruction of a home office. Cost and delay in reconstructing complete records from field office records or from microfilm would be high. Prudential's compromise program depends, therefore, on reproduction of I.B.M. files, photostats, and extra carbon copies, as well as microfilm. Prudential also is dispersing original records in some cases.

Some investment papers are in protected vaults in Newark with lists microfilmed for storage elsewhere. Policy billing and accounting are safeguarded by duplication of the punched card file and storage at out of town record office. Industrial life and lapse registers will be held in Newark for six months and then moved to the record office where they can be referred to by teletype. Cancelled checks will be microfilmed at once and again later in file sequence, with the exception of items rarely referred to, such as payroll checks. Prudential's existing decentralization program is an important safeguard in the event of enemy action, since records, personnel and equipment would be available to assist in restoring normal operation in any one of the several home offices.

## BOMB HAZARDS

H. G. Johnston of North American Life of Canada, who was with a London company at the start of the war, said that company split its headquarters into two rural locations, one of which was destroyed with all its records. Even so, the company had little trouble, because of branch records and other duplicate data. He said war clauses should include civilian as well as military mortality, as civilian mortality will be tremendous.

Arthur Pedoe, Prudential of England, whose discussion was read by E. F. Estes, Bankers of Nebraska, said it is futile for companies to band together for mutual protection in the hope it

will prevent government interference for it is impossible to figure that the government would not be in the picture in the event of a major disaster.

Ray M. Peterson, Equitable Society, said the basic purpose of a war death pool is to equalize strains on surplus. It is recognized that contributions to a pool should not be enough to bankrupt a company, consequently contributions should be limited. For example, if the pool provided for a contribution of \$5 per \$1,000 and actual losses in a given catastrophe were \$8 per \$1,000 then the company would be reimbursed for five-eighths of its disaster loss. Annuity reserves at risk are relatively small as compared with net amount of insurance at risk, and would not go far to offset death losses. Mr. Peterson said in his opinion there is no very good reason for including annuities in the pool.

## Ways of Setting Up Pools

Edward A. Green of John Hancock said there might be a better way of dividing the business into pools than by merely ordinary, industrial and group. For example, monthly ordinary might go in the industrial pool. He said the pool projected is so limited that it would not take care of more than a couple of atomic bomb drops on New York City and that if this limited type of pool is adopted the companies should be very careful not to lead the public to think the atomic bomb hazard had been taken care of.

In the session on expenses, discussion submitted by R. I. Jacobson of Northwestern National brought out that with rising prices it is going to cost more to handle business regardless of increased mechanization and this should be taken into account in fixing rates on non-participating business. Under the proposed 6½% federal income tax plan it will require a net rate of 3.21% before tax to earn 3% after tax.

Lumir Slezak, Occidental of California, said inflation hits agents' commissions worse than the general run of the population because the volume of new life insurance does not fully

reflect the lowered purchasing power of the dollar and because of the trend to lower premium policies. He said the only answer might be to increase premium rates. "It is my opinion that with respect to expenses and costs of doing business this is the most serious problem we have to face," he said. "As inflation continues this particular problem will become more and more serious and unless a satisfactory solution is obtained the quality of the agency force will deteriorate. This will cause home office and agency expenses to increase still more." He suggested the possibility of making \$2,500 the minimum size policy, with the \$1,000 policy being relegated to the debit basis.

Donald B. Warren, St. Louis consulting actuary, reinforced Mr. Slezak's suggestion for a \$2,500 minimum for ordinary policies. He said it isn't right to load up the larger policies with the disproportionate expense of the \$1,000 policy. He thought a company might retain a stripped down policy or two that could be loaded to pay their own way.

Mr. Pedoe submitted a discussion covering expenses of Canadian companies divided into large, medium and small companies. The figures showed reduction in unit costs immediately after the war and the steady increase since that time. Increases in salaries have been largely responsible for increases in expenses partly because of more personnel but chiefly because of higher salaries. Part of this has been offset by higher average policies.

## Manpower Shortage Expedients

Henry Rood, Lincoln National, said there is a real problem in getting new men into the business and showing an increase in their earnings. In this discussion on streamlining operations to meet the worsening manpower shortage, A. C. Olshen, West Coast Life, stated (in absentia) that his company had initiated a part-time employment plan using high school students. In the field, one helpful plan has been to pay more to managers and agents for persistent business. N. T. Fuhlrodt, Central Life of Iowa, said employment of high school and local college students had been helpful in the last war and resulted in a source of partly trained help on graduation.

Mr. Fuhlrodt warned against jumping

Substandard Service

Liberal  
Disability IncomeProduction  
BonusesLifetime  
Compensation

Quick sale packages plus the famous "Insured Savings" plan



**ALL THE LINKS  
IN THE OSICO CHAIN  
ARE STRONG**

Don't overlook this important one — a warm, friendly spirit of cooperative effort which "links" Field and Home Office.

**THE OHIO STATE LIFE**  
*Insurance Company*

COLUMBUS 15, OHIO

Write FRANK L. BARNES, 1st V.P. and DIRECTOR of AGENCIES

Health &amp; Accident

An Unusually Complete Line  
of Juvenile PoliciesSubstantial 1st  
Year CommissionsUp to 9 Years Vested  
Renewal Commissions

Special opportunity in following states: Illinois, Indiana, Michigan, Ohio, Pennsylvania, and West Virginia

too quickly to mechanization as a remedy. Much can be done, he said, by carefully analyzing operations to see what can be eliminated or modified without detriment. Approximations can be used in many operations without sacrificing equity. Longhand correspondence is being used more for routine correspondence with policyholders.

R. C. Perry, State Farm Life, discussed (in absentia) the need for de-

veloping higher level replacements on an organized basis. Weaning them away from competitors after they are already developed is expensive in money, time and friends, he said.

Robert J. Randall, New York department, suggested that life companies remove whatever restrictions they may have on the hiring of qualified Negro help and that this would go far to relieve the manpower shortage. Mr. Randall, who is a Negro himself, got the biggest hand of the day for his suggestion. There was considerable discussion of activities of local actuaries' clubs.

The gathering adopted an amendment to the constitution changing the method of electing the vice-president. Instead of electing four vice-presidents each year two will be elected each year to serve for two years. However, at the annual meeting this fall the society will elect four vice-presidents, two for one year and two for two years.

The following presented papers: Harwood Rosser, Occidental of California, "A Present Value Approach to Protect Margins and Dividends"; C. G. Groeschell, Northwestern Mutual, "Valuation of Reversionary Interests Involving Two or More Lives for Federal Income Tax Purposes"; Dale R. Gustafson, Ohio National, "Terminal Reserves from Mean Reserves and Net Premiums"; and L. O. Shudde, social security administration, "Mortality Ex-

perience Under the Old Age and Survivors Insurance System."

Mr. Groeschell's paper dealt with a type of situation that occurs frequently when an estate is divided between lifetime beneficiaries and a charitable institution.

Mr. Shudde's paper covered well over a million deaths in the decade 1940-49. An abnormally high mortality was found among newly retired employees quitting work between ages 65 and 69. Deaths among active workers were much less than anticipated, especially in the early years of the plan. Mr. Shudde suggested that there may have been many who failed to file claims for small lump sum benefits.

Governor Thornton of Colorado made a brief talk at the luncheon Tuesday. He stressed the importance of life insurance in fostering individual independence and reducing demands for government aid.

Through the courtesy of Ray D. Murphy, executive vice-president of Equitable Society and chairman of the Joint Life Insurance Assn.-American Life Convention committee on war problems, copies of tabulation showing arithmetical illustrations of how the proposed inter-company war death pool would work, were distributed at the meeting. The tabulation was based on a plan which is only tentative and based on future acceptance by the company organizations.

and 85% of weekly premium death claims paid immediately by branch offices, often within hours of filing. Mr. Harrell said that the surrender value field opens up the possibility of at least controlling correspondence, both in the five times as many service contacts as the claim cases.

Carl H. Page, secretary Central Life of Iowa, described several projects effectively undertaken by his company interest of economy and better service. Included were a shift to machine dictation; centralization of correspondence and typing; planned routing of mail through departments; form letters where repetitive information is involved; letters with check-box answers; endorsement letters, with spaces for reply and carbon copies enclosed for retaining the data; even the use of handwritten notes where feasible, to minimize time loss.

Effective economies in manpower, together with greater efficiency in operations were credited to the adoption of the Burroughs Sensimatic machine for policy loan records, by D. A. Roberts, assistant secretary Mutual Life of Canada. In personnel alone, he said that two clerks less were required for handling the company's 25,000 items monthly.

H. P. Stebbins, secretary Bankers Life of Nebraska, told of his company's use of punch cards for dividend history and accounting. He said that control of dividend calculations has been improved; peak loads have all but disappeared; more information has been available for policyholders at a minimum of cost; personnel requirements have been reduced by 30% even though there has been a 40% increase in participating contracts.

#### Disbursement Accounting System

A disbursement accounting system, set up at the first of this year, has proved highly successful, Carl Arnold, supervisor of the general accounting department of Interstate L. & A., said.

The system, which makes use of punch cards, has been found by the company to have resulted in less fatigue, less loss motion, less check spoilage, more attractive appearance of check, greater volume, facilitated bank reconciliation, a better basis for cost accounting and for analysis of accounts.

The company's checks under this system, Mr. Arnold explained, are prepared from a punch card designed and arranged so as to carry all the necessary and desired information for a check, a disbursement journal and for the summarization of a general ledger and trial balance. The procedure is set up to require a payee card, a possibility of two explanation cards and any number of extra cards necessary to distribute properly the disbursement to the various accounts affected. One card is used for each different account. The same card form serves for each of the purposes stated.

#### \$1 Million in 4 Months

Max Seigler, Montreal, Great-West Life's leading Canadian agent in 1950, has already passed the \$1 million production mark for 1951. At the end of April Mr. Seigler led the company and for the four-month period had placed \$1,046,295. He qualified for the Million Dollar Round Table for 1949 and 1950. He will shortly mark his 31st anniversary with Great-West.

#### Cincinnati Trust Contest

John G. Rudd, a student at University of Cincinnati law school, was the winner of the first prize of \$100 in the contest sponsored by the Cincinnati Council of Life Underwriters & Corporate Trustees, based on the problem of drafting a living trust agreement. There were four other cash prizes, three going to University of Cincinnati law school students and one to a student of the Chase College of Law. D. W. Hostetter, Central Trust Co., was contest chairman. Speaker was Mayo A. Shattuck, Boston attorney.

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Employee Benefit Plans

RICHMOND

ATLANTA

## Strong Testimony for Top Planning

(CONTINUED FROM PAGE 1)

cost of the 18 non-planning groups amounts to \$1,100,000 per year. The prospects of realizing an 11% reduction in payroll costs through the introduction of central staff planning would seem to warrant thoughtful consideration to the use of the facility by companies which have not adopted it," he declared.

### CONTROL REPORTS

E. J. Moorhead, executive vice-president United State Life, said that management could profitably give greater attention to research and control reports and to planning and checking progress. According to Mr. Moorhead, a basic error in the strategy of the business stems from the practice of viewing statistics primarily as data for the annual statement and priceless information remains hidden because the annual statement doesn't require it. Along this line, he suggested that "this year to date" comparisons with "last year to date" be abandoned. He said that companies should cease mixing things that don't mix, such as term and endowments, first year annual premium and single premium. Much could be done to simplify statements of management, according to the speaker, and pride in statement-making can be engendered by such devices as having statements signed by the person making them. It is often desirable to set up a projected set of estimates at the start of the year and to report periodically on the trend related to the forecast, he commented. Statements can be streamlined, eliminating cents, reducing decimal places on percentages and periodically checking on the value of reports to warrant their continuance, he declared. He mentioned the advisability of obtaining summaries from the creators of the statistics as the best authorities on what the figures mean, and termed it feasible to make greater use of inter-company comparisons. Mr. Moorhead stated that charts could be used more extensively in presenting statistics for quick understanding.

L. B. Cuyler, vice-president in charge of personnel for National City Bank of New York, stated that life insurance companies would do well to set aside funds to assist young men and women in their employ to obtain better and

higher practical and cultural education and training than the means or circumstances of their employment makes possible. He said that his bank for more than 20 years has recognized the importance of such a program for young employees who have had only a high school education. The bank accomplishes this through a foundation set up to carry on the work, unencumbered by having to answer too strictly for what it does.

Planning projects that are paying dividends were discussed by a panel at the closing session. Harry L. Archy, secretary Fidelity Mutual, was chairman of the symposium.

The use of punched card accounting for mortgage loans was described by Lucian F. Bloodworth, secretary Liberty National. He said that a manual and bookkeeping machine system worked until his company's portfolio grew to more than 5,000, but after that it was found helpful and an actual economy to adopt a punch card accounting system for their mortgages which are 99% on a monthly payment basis.

Harold B. Brian, assistant vice-president Teachers I. & A., explained how his office had speeded up operations and effected savings from a system of premium card control, with these records impounded in one location. Under the old system, these cards had been withdrawn for departmental use by all units of the company.

#### Birk Payment Plan Favored

The bulk payment method of handling renewal commissions was recommended by William J. Burgar, controller, North American Life of Toronto. He said that this newly adopted plan aided agents in their personal budgeting by making monthly payments equal; permitted greater mechanization of the work through punch cards; minimized the chance for error; speeded up payments.

Money has been saved and policyholder service has been enhanced by permitting branch offices to handle surrenders and policy loans direct, as well as death benefit payments. H. M. Harrell, treasurer Gulf, said. Many problems were involved particularly in connection with policy titles, he said, but with a carefully planned routine and excellent cooperation in the field, the company has had excellent results. Last year, this company had 80% of monthly ordinary

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